

CONFIDENTIAL

2

083 160 [FRAME GENERAL]

CONFIDENTIAL

FM BONN 251600Z JUN 79

TO PRIORITY FCO

TELEGRAM NUMBER 325 OF 25 JUNE

INFO PRIORITY UKREP BRUSSELS PARIS

INFO ROUTINE OTHER EEC POSTS WASHINGTON TOKYO

Prime Minister

6/26/79

EUROPEAN COUNCIL: FRG REACTIONS

1. THE FEDERAL CHANCELLOR'S ECONOMIC ADVISER (SCHULMANN) AND HIS DEPUTY POLITICAL ADVISER (VON DER GABLENTZ) HAVE BOTH TOLD US THAT SCHMIDT WAS PLEASED WITH THE MEETING AND IMPRESSED BY THE PRIME MINISTER'S CONSTRUCTIVE CONTRIBUTION.
2. THEY SAID THAT THE OUTCOME ON ENERGY WAS PARTICULARLY SATISFACTORY. THE FRENCH ATTEMPT TO IMPOSE NON-MARKET SOLUTIONS HAD BEEN EFFECTIVELY CONTAINED. IT HAD BEEN QUITE RIGHT TO GO FOR GENERAL CONCLUSIONS AT STRASBOURG, INTO WHICH THE COMMUNITY COULD HOPE TO SLOT THE US AND JAPAN AT THE TOKYO SUMMIT. SCHULMANN SAW A QUOTE COALITION UNQUOTE ON ENERGY BETWEEN THE FRG AND UK WHICH HE GREATLY HOPED WOULD CONTINUE.
3. THE SAME SOURCES SAID THAT THE CHANCELLOR WAS HAPPY ABOUT THE OUTCOME ON THE COMMUNITY BUDGET.
4. THERE HAS BEEN LITTLE SIGNIFICANT PRESS COMMENT.

WRIGHT

FRAME GENERAL
EID (1)
NEWS.D

ms

CONFIDENTIAL

.... SOMETHING HER LABOUR PREDECESSOR HAD LONG FOUGHT FOR ; TO NINE
CONSIDERED LOWERING BRITAIN'S CONTRIBUTION TO THE COMMUNITY BUDGET.
TO DO SO, MRS THATCHER LAID 20 PER CENT OF BRITAIN'S GOLD AND
CURRENCY RESERVES IN THE COMMUNITY BASKET''. DELARUE IN LE MONDE
AIRD A FAMILIAR FRENCH ARGUMENT: ''THE SIZE OF BRITAIN'S
CONTRIBUTION IS EXPLAINED ABOVE ALL BY BEHAVIOUR THAT DOES NOT
CONFORM WITH THE AIMS OF THE COMMON MARKET; BRITAIN LARGELY IGNORES
EEC AGRICULTURE AND CONTINUES TO BUY MORE THAN HALF HER FOOD SUPPLIES
OUTSIDE THE COMMUNITY. THIS MEANS SHE HAS TO PAY SIZEABLE IMPORT
DUTIES''.

4. THE MEETING HAS IN FRENCH EYES BEEN A VINDICTION OF STRASBOURG'S
CLAIM TO BE THE SEAT OF THE EUROPEAN ASSEMBLY. THERE HAS BEEN
VIRTUALLY NO SUGGESTION THAT THIS MIGHT BE A MATTER FOR DISPUTE.
FIGARO QUOTES PRESIDENT GISCARD'S ANNOUNCEMENT IN HIS FINAL
PRESS CONFERENCE OF A THREE-YEAR CONTRACT BETWEEN THE FRENCH
GOVERNMENT, STRASBOURG AND ALSACE AND BAS RHIN DEPARTMENTAL
AUTHORITIES TO GIVE THE CITY THE NECESSARY MEANS TO PLAY ITS ROLE
AS '' THE CAPITAL OF DEMOCRATIC EUROPE''.

HIBBERT

FRAME GENERAL

RID (I)

NEWS D