

FCO

PS
PS/ MR HURD
PS/PUS
MR BULLARD
MR HANNAY
LORD BRIDGES

RESIDENT CLERK

HD/ECD I (3)
HD/NEWS
HD/
HD/.....
HD/.....
HD/.....

PLUS FCOCABINET OFFICE

MR D HANCOCK
MR D M ELLIOTT
MR A M GOODENOUGH
MR. S. WENTWORTH

D.O.T.

MR R GRAY
MR R H S WELLS WEG

PLUS OGDS

~~As 10. G.S.~~

H M TREASURY

SIR K COUZENS
MR ASHFORD

M A F F

SIR B HAYES

CONFIDENTIAL

FRAME GENERAL

FM PARIS 201715Z MAY 82

TO IMMEDIATE FCO

TELEGRAM NUMBER 528 OF 20 MAY 1982

INFO IMMEDIATE UKREP BRUSSELS

INFO PRIORITY ATHENS BRUSSELS COPENHAGEN THE HAGUE LUXEMBOURG
ROME DUBLIN AND BONN

FOREIGN AFFAIRS COUNCIL, 24/25 MAY: 30 MAY MANDATE

1. MITTERRAND'S STATEMENT IN ALGIERS (MY TEL NO 520) SEEKS TO PLACE THE BLAME FOR THE PRESENT SITUATION ON BRITAIN AND ALSO BROADENS THE DISPUTE. IT OFFERS LITTLE HOPE THAT THE FRENCH REPRESENTATIVE AT THE FOREIGN AFFAIRS COUNCIL ON MONDAY WILL HAVE A FLEXIBLE NEGOTIATING BRIEF TO REACH A RAPID SOLUTION ON THE GUYANA KINGDOM'S 1982 CFDK

WM SENIOR OFFICIALS IN THE QUAI AND THE SGCI TELL US THAT THEIR MINISTERS' DECISION TO PRESS FOR A VOTE AT THE AGRICULTURE COUNCIL TOOK THEM COMPLETELY BY SURPRISE. THEY HAD BEEN CONSISTENTLY RECOMMENDING AGAINST A VOTE ON THE GROUNDS THAT THE LUXEMBOURG COMPROMISE WOULD BE PLACED AT RISK. APPARENTLY MME

LUXEMBOURG COMPROMISE WOULD BE PLACED AT RISK. APPARENTLY MME CRESSON OBTAINED AUTHORITY DIRECT FROM MITTERRAND. IT LOOKS AS THOUGH MITTERRAND AND SCHMIDT MUST HAVE AGREED ON A COMMON POSITION DURING THEIR MEETING IN HAMBURG BEFORE THE WEEKEND, PERHAPS WITH AN UNDERSTANDING THAT THIS ACT OF VOTING WOULD NOT SET A PRECEDENT. THE FRENCH ARE NOW CLAIMING THAT MITTERRAND INFORMED THE PRIME MINISTER OF HIS INTENTIONS ON 17 MAY, THOUGH IN FACT NOTHING WAS SAID ABOUT VOTING INTENTIONS. I UNDERSTAND THAT CHEYSSON WAS SIMILARLY EVASIVE WHEN YOU SPOKE TO HIM ON 18 MAY.

3. TODAY'S FRENCH NEWSPAPERS HAVE RESPONDED ENTHUSIASTICALLY TO OFFICIAL BRIEFING AND THE PACK HAS CLEARLY BEEN UNLEASHED, WITH MME CRESSON'S SHRILL TONES THE MOST AUDIBLE. THE PRESS HAS UNANIMOUSLY EMPHASISED THAT MITTERRAND'S STATEMENT REPRESENTS A DIRECT CHALLENGE TO BRITISH POLICY AND TO BRITAIN'S PRESENCE IN THE COMMUNITY, THOUGH CHANDERNAGOR IS QUOTED AS SAYING THAT FRANCE CERTAINLY DID NOT WANT BRITAIN TO WITHDRAW. SOME CONCERN IS NEVERTHELESS EXPRESSED ABOUT THE IMPLICATIONS FOR FRANCE OF THE BREACH OF THE LUXEMBOURG COMPROMISE, REFLECTING IN PARTICULAR STATEMENTS MADE BY GAULLIST SPOKESMEN, BUT THERE IS ALSO COMMENT ON THE DOMESTIC POLITICAL ADVANTAGES FOR MITTERRAND OF A TOUGH STANCE TOWARDS BRITAIN, ESPECIALLY ON FARM PRICES. THE PRESS CANVASSES THE VARIOUS OPTIONS NOW OPEN TO THE BRITISH GOVERNMENT NOTING THAT THE REACTION IN WHITEHALL HAS BEEN MEASURED, IN CONTRAST TO THE ANGRY TONE IN BRITISH NEWSPAPERS. YESTERDAY AFTERNOON'S 'LE MONDE' CARRIES AN ARTICLE BY DELARUE WHICH OBVIOUSLY REPRESENTS THE ARGUMENTS WHICH THE QUAI IS COBBLING TOGETHER ON THE LEGAL ASPECTS OF THE LUXEMBOURG COMPROMISE.

4. MITTERRAND IS EVIDENTLY NOW CONFIDENT OF HIS OWN GRASP OF EUROPEAN STRATEGY, BUT IT SEEMS TO DERIVE IN LARGE PART FROM A SET OF SIMPLISTIC PROPOSITIONS ABOUT THE COMMUNITY AND BRITAIN'S ROLE IN IT. THESE IDEAS ARE ROOTED IN TRADITIONAL FRENCH PROTECTIONISM: HE FEELS IN HIS BONES THAT TO IMPORT FROM OUTSIDE THE COMMUNITY VIOLATES THE PURPOSES OF THE COMMUNITY AND SHOULD BE PENALISED, THAT THIS IS THE WHOLE POINT OF THE OWN RESOURCES SYSTEM, THAT BRITAIN IS TRYING TO FRUSTRATE THE OPERATION OF THE SYSTEM AND TO CLING TO ITS OLD COMMONWEALTH TRADING LINKS, AND THAT CONCESSIONS ON THE BUDGET MERELY REDUCE THE PRESSURE ON BRITAIN TO CONFORM TO COMMUNITY PRINCIPLES. HE HAS SO FAR SHOWN HIMSELF AN UNBENDING IDEAS. THESE CONCEPTS LEAD TO AN INCREASINGLY LOFTY ATTITUDE TOWARDS THE UNITED KINGDOM IN RELATION TO COMMUNITY MATTERS, ON THE LINES ADOPTED

*CONCEPTS LEAD TO AN INCREASINGLY LOFTY ATTITUDE TOWARDS THE UNITED KINGDOM IN RELATION TO COMMUNITY MATTERS, ON THE LINES ADOPTED BY GENERAL DE GAULLE, WHOSE STYLE HE ADMIRES. HE SEEMS TO BELIEVE THAT FRANCE AND GERMANY CAN FACE BRITAIN WITH LITTLE CHOICE BUT TO ACCEPT EX GRATIA BUDGET REPAYMENTS, AND THAT ANY COUNTER-ACTION WHICH BRITAIN MIGHT CONSIDER COULD BE DEEMED TO RAISE THE QUESTION OF BRITISH SUITABILITY TO REMAIN A MEMBER OF THE COMMUNITY.

HE SEEMS SURE THAT HE CAN REPAIR THE DAMAGE DONE TO THE LUXEMBOURG COMPROMISE, ESPECIALLY IF THE GERMANS STICK WITH HIM, AND THAT IN ANY CASE BRITAIN HERSELF WILL HAVE A PARAMOUNT INTEREST IN PRESERVING THE COMPROMISE.

5. IT IS NOT YET CLEAR WHETHER CHEYSSON OR CHANDERNAGOR WILL REPRESENT FRANCE AT THE COUNCIL ON MONDAY. CHEYSSON IS IN AFRICA ACCOMPANYING MITTERRAND, BUT OFFICIALS HAVE BEEN TALKING ABOUT CALLING HIM BACK FOR THE COUNCIL. MITTERRAND IS CONTINUING TO TAKE THE LINE THAT THE 30 MAY AGREEMENT WAS BAD FOR FRANCE AND THE COMMUNITY. IT LOOKS AS THOUGH CHEYSSON/CHANDERNAGOR WILL BE TOLD TO STICK FIRMLY ON MONDAY TO THE 800 MECU OFFER, BASED BROADLY ON THE COMMISSION PROPOSAL, AND TO BRAZEN IT OUT ON THE LUXEMBOURG COMPROMISE WITH THE SUPPORT OF THE GERMANS AND THE ITALIANS. MITTERRAND MUST BE WELL AWARE THAT FAILURE TO REACH AGREEMENT ON MONDAY WILL PLUNGE THE COMMUNITY MORE DEEPLY INTO DIFFICULTY, AND THE FRENCH PRESS IS FULL OF REFERENCES TO FRANCO-GERMAN DETERMINATION TO SIT OUT A LONG-TERM CRISIS. GIVEN MITTERRAND'S ATTITUDE, NO USEFUL PURPOSE SEEMS LIKELY TO BE SERVED BY TRYING TO PERSUADE HIM TO CHANGE HIS MIND THROUGH A PERSONAL MESSAGE. IN ANY CASE HE HAS NOT REPLIED TO THE PREVIOUS MESSAGE, AND TACTICALLY IT SEEMS UNWISE TO APPEAR TO BE RUNNINGAFTER THE FRENCH.

FRETWELL

NNNN

SENT/RECD AT 201832Z CDC/

REPEAT LAST TWO LINES PARA 1 AND FIRST LINE PARA 2

REPEAT

LINE AFTER

BRITAIN TO CONFORM TO COMMUNITY PRINCIPLES. HE HAS SO FAR SHOWN