



Foreign and Commonwealth Office

London SW1A 2AH

29 December 1983

AJC: to deal o/v

Dear John,

The Post-Stuttgart Negotiations and the French

As you know the Prime Minister and the Foreign Secretary agreed in the aftermath of Athens that we needed to consider very carefully our future contacts with the French in general and with President Mitterrand in particular. Sir Crispin Tickell wrote to Sir John Fretwell in Paris after the Athens European Council to seek his views on President Mitterrand's performance on that occasion and on how best to proceed in our future contacts with the French. I enclose copies of his letter and John Fretwell's reply.

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+ 21 12 83

John Fretwell's analysis is essentially that

- (a) President Mitterrand's working methods mean that he is often not well prepared to go into detailed consideration of the more technical issues on the agenda of European Councils;
- (b) His concept of his constitutional role means that he has no compunction in disavowing the work and the words of his Ministers;
- (c) President Mitterrand probably finally decided how to play his hand only after he had sensed the atmosphere at Athens. While he might have been ready to move if a real negotiation had got under way and if he had judged that an outcome satisfactory to France was attainable, his political instincts told him that this was not on the cards. He therefore reverted to first principles as regards the negotiating issues of major concern to us, disregarding work already done (by the French as well as others).
- (d) By his actions in Athens, President Mitterrand has probably stored up a great deal of trouble for himself and the French Presidency since the domestic political implications of an agreement at the March European Council, in June or later under the Irish Presidency are all for different reasons disagreeable.

/We agree



We agree with John Fretwell's analysis. But, as he says, it is in part speculative. The fact is we do not know with certainty why the frequent ministerial and official level contacts in the weeks before the Athens European Council failed to give us any forewarning of the line the President was likely to take and seem moreover not to have given President Mitterand himself any appreciation of what we require from the negotiations.

But whatever the explanation, the clear operational conclusion which emerges is that we have to find a way of getting our views over to the French at the only level that matters - that of the President.

As John Fretwell argues in his letter of 21 December, and as he has argued before, notably in his despatch of 13 April the relevant paragraphs of which are annexed to his letter, the key is President Mitterand himself. But he is not readily accessible, and his work methods mean that there can be no guarantee that, whatever the effort put in with officials close to him in the Elysee, we shall establish a better flow of information in both directions. It is therefore very desirable in the Foreign Secretary's view, and as he explained at his meeting with the Prime Minister on the Thursday before Christmas, that the Prime Minister should take up the suggestion made by the President during their bilateral meeting at breakfast on 6 December that Mrs Thatcher should visit Paris for an informal meeting with him.

*He did not make it. I did*

The question of the timing of such a visit will be important but we believe it would be best to leave President Mitterand to suggest dates. I enclose a draft message. An additional reason for responding to the invitation given at Athens is that this should ensure that if President Mitterand were tempted to do so (and a slight flavour of Franco-German "ganging-up" emerged during Telstchick's visit - see FCO telegram No 615 to Bonn), he could not overlook the British factor at his bilateral meeting with Chancellor Kohl in January (the date of which we still don't know). Sir Geoffrey will be suggesting separately what steps we should take to keep in close touch with the Germans. An opportunity to do this will arise if we succeed in getting Genscher to London in January.

As John Fretwell says, the appointment as the new Minister for European Affairs with cabinet rank of a close personal friend and political associate of President Mitterand provides another opening which we should not neglect. Sir Geoffrey has already sent a welcoming message to M. Dumas

/and we



and we have made it clear that the Foreign Secretary and Mr Rifkind look forward to seeing him here soon. We must of course ensure that in cultivating M. Dumas we do not put M. Cheysson's nose out of joint.

Finally, John Fretwell recommends that we should maintain the range of ministerial and official contacts built up in recent months. Sir Geoffrey is sure this is right. Sir Crispin Tickell will be paying a first visit to Paris next month (January) to make contact with his French opposite numbers. Sir Geoffrey hopes that Sir Robert Armstrong, David Williamson and Treasury officials will pursue actively in the weeks leading up to the March European Council the contacts they have developed in recent months with their French counterparts.

I am copying this letter to John Kerr (HM Treasury). Ivor Llewelyn (MAFF) and Richard Hatfield (Cabinet Office).

*Yours ever,*  
*Peter Ricketts*

(P F Ricketts)  
Private Secretary

BRITISH EMBASSY,  
PARIS.

FROM THE AMBASSADOR

21 December 1983

Sir Crispin Tickell KCVO  
FCO

Copy to: Pr  
PS/Dr Riffkind  
PS/PJS  
Sir J. Bullard / A. Tackling  
Sir C. Tickell o.v.  
FCO (i) ✓  
WES  
D. Williams, Ad. Off.  
J. B. ...  
D. Andrews, D.A.F.

Dr Farnieater

Dear Crispin, we are now  
submitting with  
a letter to No 6.

## PRESIDENT MITTERRAND AND THE EUROPEAN COUNCIL

1. Thank you for your letter of 8 December about Mitterrand's performance at the European Council. We have been asking ourselves the same questions. They are obviously of great importance for the continuation of the post-Stuttgart negotiation under the French Presidency. Our answers are necessarily partly speculative; we shall add any further evidence that may come to light on the reasons why Mitterrand played his hand at Athens as he did.

2. In Paris telegram N° 1140 of 8 December commenting on the outcome of the Council, I said I suspected that Mitterrand decided at the last moment that he did not want to make the compromises necessary to reach agreement at that stage. I enclose a note in which we have attempted to analyse more closely the decision-taking process up to Athens, and the spirit in which French officials approached the brainstorming and other bilateral contacts with us. My tentative view, taking into account the pointers in Michael Butler's letter of 12 December to you, is that Mitterrand probably arrived in Athens, having focussed on the negotiating hand very late in the day, with the expectation that a satisfactory deal for France was unlikely to be attainable. He may have been prepared to soften his opening position somewhat if a negotiation had developed there. But in the event it seems that - perhaps daunted by a confused set of dossiers - he backed away from what would have been a difficult negotiation, believing that any outcome that could be negotiated would be difficult to sell to French public opinion. He evidently felt that no agreement was better than one that appeared to sell French interests short (cf his comment in the National Assembly in April 1980, referring to the then forthcoming European Council. "It is better not to negotiate if the negotiation is not going to succeed. It is time, high time to stop the Community from sliding down the slope which will lead to its destruction ...").

Aty



3. In declining to engage in a negotiation at Athens Mitterrand may have thought that with his renowned political skills he would later be able to dribble the ball past the opposing players. But he has in fact stored up a great deal of trouble for himself and for the French Presidency - it is possible that he did not himself appreciate all the implications (to which the French press was quick to draw attention after Athens). The arguments put across to us by French representatives in the six weeks or so before Athens, in favour of reaching at least an outline agreement at the European Council, still seem to me to hold good. It is inevitable that member states - and especially France - will have increasing difficulty in making the concessions that will ultimately be essential if a compromise is to be achieved, as the June European elections get nearer. Michael Butler reports the comment made in Brussels (his letter to you of 12 December) that Mitterrand's own objective may be to secure agreement finally at the June European Council, ten days after the European elections. This could be right. But by March the Community's budgetary dilemma will be becoming more acute and the prospect of a zero increase in CAP prices, already proposed by the Commission, will look pretty unattractive. (Although French farmers could probably live for a year or so on the proceeds of dismantling France's negative MCAs, which currently stand at about 5 1/2 points for most major commodities, there would be no prospect in those circumstances of reducing German positive MCAs, which cause such resentment among French farmers. And would not surreptitious price increases achieved by dismantling MCAs have the same effect on production, and hence on CAP expenditure, as real price increases? If so, the budget would still be burst.) If Mitterrand thinks that he has won even a breathing space, he must in my view be mistaken.

4. It seems to me that the alternatives now facing Mitterrand must be profoundly distasteful. He could aim for agreement at the March Council, despite the fact that Chirac and other opposition leaders could be relied on to exploit in their campaign for the European elections any sign that Mitterrand was giving ground on British claims for budgetary compensation, or on measures which would reduce the advantages to French farmers. Alternatively, he could regard the March European Council as simply an occasion for taking stock, and aim at a settlement in June; but in that case the problem of agricultural price increases would become an increasingly political issue here, as elsewhere during the spring and early summer - and Mitterrand is particularly sensitive to the farm lobby. He could pass the buck to the Irish Presidency in July; but that would not remove the problems of the budget and agricultural prices;

/and



and Mitterrand would have to face the prospect that the French Presidency would be seen as a failure. However, there is a further possibility. He may reckon that Mrs Thatcher can be persuaded, through massive pressure by the other Nine member states acting together, to accept an increase in own resources without any permanent solution on the budget, or effective control on CAP spending. A settlement on those lines would cause Mitterrand no domestic political difficulty. There was a well-orchestrated campaign in the French press ten days or so after Athens, to point a finger at Britain as responsible for failure at Athens and to raise all the old shibboleths of British failure to adapt to the Community, combined with a sermon on the need to respect Community preference and its financial consequences. (We will write separately about French misuse of the notion of Community preference.) But curiously it was not sustained; and officials may have come to the conclusion that it was unwise to press straight on to a Franco-British confrontation, at least at this stage, in briefing journalists. Morel attributed the French line to the need, as the French saw it, to reply to the effective UK press campaign on the outcome of Athens.

5. Leaving aside the tactics for the French Presidency, I am inclined to doubt that Mitterrand's basic aims have changed much since I wrote to Richard Evans on 19 July about the French approach to the Grand Negotiation, though he may have endorsed some form of overall budgetary control. My present guess is that Mitterrand will in any event fight hard against a long-term budgetary solution for the UK at anything like an acceptable level; in particular, French propaganda - which he himself endorses and stimulates - will make it well nigh impossible for him to accept that levies and duties should be included in the basis for calculating refunds. We should bear in mind that Mitterrand may also have a propensity for believing his officials' propaganda. I suspect that the Elysée officials may have convinced themselves and Mitterrand with the line they put out here immediately after Stuttgart - namely that it was Mauroy who had sold the pass on the UK budgetary refund at Stuttgart after Mitterrand had left early: (whereas in fact it is our impression, and that of Quai officials, that Mauroy put up a stout fight to try to claw back the concessions made by Mitterrand himself). If so, Mitterrand may conceivably consider that the "first principles" approach he took on the UK budget refund in Athens represented no change in his own position.

*Important to  
Campaign, in  
last year in  
can drive,  
against this*

*This is  
unacceptably  
close to the  
centre, I fear*



6. On other matters, Mitterrand will resist strongly anything much more than a Lancaster House-type formula on the control of agricultural spending; but he is likely to accept constraints on milk production involving progressive co-responsibility, provided that imports of cereal substitutes are stabilised at their present level. There is not much for our comfort here. Incidentally, I do not think that Mitterrand is aiming to block enlargement (paragraph 6 of your letter); officials here regard the principle, at any rate, as acquis provided that agreement is reached on the post-Stuttgart dossiers and especially on raising the 1% VAT ceiling; and they present Mitterrand's remarks in Bonn on 25 November on dates as a positive step. The Moran/Cheysson agreement reported in Madrid Telno 700 and confirmed by French representatives in Brussels (UKREP Telno 4583) to press ahead with the negotiations with a view to concluding them by the end of the French Presidency, while it seems optimistic, must be a positive sign. The German Ambassador here believes that Mitterrand gave Kohl some sort of commitment on enlargement. But he will probably avoid any definite public pronouncement until after the European elections.

7. In these circumstances, there seem to me two lines of action which we could profitably take. The first is to launch, as early as possible in the New Year, a vigorous lobbying campaign in other member states, to urge them not to lose sight of the important principles agreed at Stuttgart itself, and to build on the progress made during the autumn negotiation. We should, I think, try to deliver our message in capitals before the French lobbying process (likely to start early in the New Year, and to include some contacts at least at Head of State and Government level - we know of the planned Mitterrand/Kohl meeting) is too far advanced. ✓

8. The second is to raise the level of our contacts with the French. I am sure it is right, as you suggest in your letter, to think in terms of a meeting between the Prime Minister and Mitterrand - which the French may indeed be planning (my telegram N° 1171). It seems to me that much could be achieved by a quiet talk in which the Prime Minister explained in some detail to Mitterrand the realities of the situation as we see them - and from which Mitterrand is generally, I suspect, insulated by his staff. At the same time we ought to maintain the range of Ministerial and official contacts which have stood us in good stead during the autumn, at least in establishing the direction in which official thinking has been moving and creating some sense of mutual understanding, even if they did not take us very far towards knowing how Mitterrand would behave on the night. ✓



9. The appointment of Roland Dumas as Minister for European Affairs with Cabinet rank (my telegram number 1186) could be a helpful factor. His closeness to Mitterrand should enable him to take in hand the briefing for Mitterrand, and remove the incoherence which has characterised relations between the Elysée and the Government machine on EC matters in recent months. I understand that the Department have in mind to recommend that Dumas should be invited to London fairly soon. I strongly endorse this suggestion; I believe it would create an excellent impression if he were to be invited by the Secretary of State (in view of Dumas' standing the Secretary of State will be his closest counterpart). I hope that if he does visit London, it will be possible to arrange a call for him on the Prime Minister.

*Yours ever*

*Peter*

*for* John Fretwell

cc to:-

D Williamson Esq, Cabinet Office  
J B Unwin Esq, HM Treasury  
Sir M Butler KCMG, UKREP, Brussels  
HM Ambassadors in other EC posts





Foreign and Commonwealth Office

London SW1A 2AH

8 December 1983

Sir John Fretwell KCMG  
PARIS

*Mr M 12/12*

*Dear John,*

## PRESIDENT MITTERRAND AND THE EUROPEAN COUNCIL

1. As you will have seen from the press and from Michael Butler's full account of events at Athens earlier this week (Athens telegram No 742), one of the fundamental reasons for failure was President Mitterrand's firm position that he was not prepared to contemplate dealing with the British (and German) budgetary imbalances with a new system but would only consider a short term ad hoc arrangement modest in size, to relieve the British burden.
2. This, and the French failure to speak up for their own budgetary discipline paper, came as a surprise to us. But the record of the discussion between the Prime Minister and President Mitterrand at the working breakfast in Athens on 6 December (copy for you and Michael Butler only) suggests that he had no idea that this would be the case. Indeed Mitterrand appeared not to know what the Prime Minister was talking about when she referred to the Delors paper. (I understand that when Mrs Thatcher mentioned it, Attali had to give Mitterrand a rapid briefing.) All this has raised some pretty fundamental questions in the minds of the Prime Minister and the Secretary of State about how to communicate with Mitterrand. They are most concerned about the mechanics as well as the substance of our relationship with him. Obviously we want your help and advice.
3. It may simply be, to quote your own words (your telegram No 1113), that disagreement and disarray are characteristic of the French position on European Community questions. But, as the Prime Minister said, the fact remains that we thought we had established contacts at the Anglo-French Summit which would prevent surprises even if they did not bring about agreement between us. Are we to think that Pierre Morel was in the dark about the line Mitterrand would take in Athens? Or that he knew about it and chose not to tell David Williamson? Did Mitterrand go to Athens ignorant of the line his own Minister had been taking in the Special Councils and of our approach to the negotiations? Or did he go there properly informed but decided without warning us or them, to shift his position radically? Could he be deliberately working for a crisis from which he would hope France would be able to benefit?

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4. In the weeks running up to the European Council, the French went to a lot of trouble to put it about that they hoped for an agreement in Athens because (a) there would otherwise be a crisis in the Community and (b) it would be progressively more difficult for them to agree a package as the date of the European Parliamentary elections approached. Are we now to suppose that their assessment since changed? Or that it was put about to mislead?

5. An allied question perhaps: do the French now calculate that an agreement can be reached in March (or June) which would be less costly to France? Seen from here this would be a mistaken assumption. All the signs are that opinion here, particularly but not exclusively in Parliament, is if anything hardening against an increase in own resources without very clear fulfilment of the Prime Minister's conditions. Short-sighted though it may be (when one takes into account our exposure over the lack of a refund arrangement for 1984), many here were probably relieved that there was no agreement in Athens to an increase in own resources. This current of opinion will not dispose Ministers to be more yielding next spring.

6. Does Mitterrand seriously believe we would settle for a short term ad hoc arrangement in return for an increase in own resources? Though our differences with the French over net balances and the safety net have been clear over the last weeks and months, the French then gave every indication that they had at last accepted the need for a system. For example, the French put in an amendment to the Danish convergence fund system. Could the French have now decided that an outcome which would leave us blocking a decision to increase own resources was a less bad option than agreeing to a new system which would let us off the budgetary hook once and for all? Or is Mitterrand conceivably looking for an excuse enabling him to block enlargement?

7. How now do we establish and maintain an appropriate level and degree of contact with the French to avoid a repetition if not of the disagreement, at least of the surprise? Perhaps I labour the point but this year's official level contacts have been I think more frequent than in the past. Hardly a week has gone by without contacts at a senior level supplementing your own. Yet none of these contacts brought us the right signal about French intentions, or gave Mitterrand a clearer idea of what Britain was seeking and could accept. In this connection the Prime Minister may be inclined to pick up Mitterrand's suggestion of a private talk. How would you regard this proposal, and when do you think she might take it up?

/8.

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8. In your telegram No 1113 you came uncannily close to what appears to me to be the reality: that Mitterrand did indeed follow his instincts in Athens. Officials from other countries with whom I spoke in the corridors of Athens had complaints similar to ours. Many discerned a wide gap between the doings of French Ministers and the occasional lofty pronouncements of their President. French officials seemed as much in the dark as anyone else.

9. You may think some of our questions are virtually unanswerable. But we shall have to do our best to put the answers together before the crucial six months of the French Presidency begin.

*Yours sincerely*

Crispin Tickell

*cc* H M Ambassadors in EC Posts  
Sir Michael Butler UKREP Brussels  
D Williamson Esq, Cabinet Office  
J B Unwin Esq, HM Treasury

*bc* Sir J Bullard  
Mr Jenkins  
Mr Hannay

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Memorandum

FRANCE: BRIEFING AND DECISION TAKING PRE-ATHENS

1. The Embassy's contacts with officials in the French administration since Athens have tended to confirm that the final decisions were taken very late. In addition to senior officials not directly involved (such as Andréani) Legras (Quai) and Prével (SGCI) have made it clear that they themselves were perplexed by the line taken by the President in Athens, especially with regard to the UK budgetary contribution, on which he moved the French position back to pre-Stuttgart first principles - though he took a harder line than expected on other issues too. Delors himself indicated to George Walden MP, on 17 December that he too had been surprised by what happened at the Council. It is our impression that French Ministers and officials - at least those outside the Elysée - believed that they were preparing for the President a hand that would enable him to play for an agreement at Athens, while preserving the most important elements of the French position, and that he would duly pick it up. It presumably included elements of financial control (on the lines of the watered down successor to the Delors' paper circulated by the French on 29 November though it seems that even this version of the paper was not given proper inter-Departmental clearance in Paris); a durable, if not permanent, arrangement to alleviate the UK budget burden, at least on the expenditure side, possibly including some protection for France; a super-levy on milk, with suitably flexible arrangements; a deal with the Germans on MCAs (which was probably in sight in Athens); and stabilisation of cereal substitute imports at their present level, with an oils and fats tax to be included if possible.

? Reserve?

2. In our view, the French negotiators in Athens and Brussels, and officials who took part in the "brainstorming" and other Anglo-French contacts did so in good faith; and Morel himself must have reckoned that the ideas he floated sous toutes réserves were at least possible runners. Morel's reluctance last week to comment to a member of the Embassy staff on the outcome of Athens suggests a certain embarrassment on his part - though this must be partly attributed to the fact that the lines are still being cleared in the Elysée on the French approach to their Presidency. The comments made to Resemary Spencer by Nallet (conseiller technique for agriculture at the Elysée) as early as the end of September are worth recalling. He said that while the President was kept quite closely informed of the negotiations, he was letting Ministers carry them forward without much direction, keeping his own views in reserve until the time came. It seems likely that this is broadly what happened:

/it



it would be consistent with both his concept of his own role, and working methods - as described towards the end of the Ambassador's despatch of 13 April 1983 on the Mitterrand Presidency. A copy of the relevant paragraphs is attached for ease of reference. He sees himself as operating on a higher plane than his Prime Minister and members of the Government and has few hesitations about disowning them.

3. What then was Mitterrand's own knowledge of the dossiers? His apparent ignorance of the Delors paper and his repetition of two or three basic points at his breakfast meeting with Mrs Thatcher, suggest that his grasp of the dossiers was far from complete. Legras (Quai) told Roger Garside that he simply could not tell whether Mitterrand's performance at Athens reflected unfamiliarity with the issues or an approach dictated by political considerations. It is well known that he regards the detailed "housekeeping" issues of the Community as unsuitable subjects for Heads of State and Government. It has also been suggested to us that, having a less than detailed knowledge of the subject matter, he may feel at a disadvantage in discussion with Heads of Government who are better briefed, like the Prime Minister. It seems that the basic briefing material for Athens was sent to the Elysée by the Ministries concerned a few days before the Franco-German summit. We shall probably never know how much of this reached Mitterrand, and to what extent he relied on short briefing notes prepared by the Elysée staff and submitted through Attali and Bianco - and what was the tone of those notes. A civil servant dealing with EC matters in the French administration has spoken to us of the difficulty of fathoming the decision-taking process in the Elysée, because of the various specialist "Conseillers techniques" involved in EC questions, as well as the coordinators (Morel, Attali and Bianco), and the cross-currents and cliques among Elysée staff. It is our impression that the mercurial Attali, who had a key role, takes a simplistic approach to EC issues and tends to reinforce Mitterrand's own chauvinistic instincts and the priority he gives to short-term political factors. Morel may well have had a thankless task in trying to get more enlightened ideas past him, and it is quite conceivable that the President was not properly briefed on the French ideas for budgetary control which were perhaps unpalatable to certain Elysée advisers.

4. The Franco-German Summit on 24-25 November may have been a crucial point, so far as Mitterrand's decision on tactics was concerned (it was certainly regarded as such by at least one Ministry before the Athens summit). In Bonn, or immediately thereafter, Mitterrand may have come to the conclusion that, given the German lack of willingness to work out and help impose the sort of deal he had in mind on the budget, and problems over MCAs (even if these were not ultimately insuperable), there was little hope of an agreement at Athens which could be presented to French

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public opinion as a success, bearing in mind his own firm pre-election pronouncements to the effect that Giscard had sold France short over the 1980 UK budget refund. But Attali's view two or three days later was that a deal was possible if the meeting went Mitterrand's way on the other issues and the UK budget refunds were dealt with last (Paris Telno 1099). On the question of the milk super-levy, we have heard that Mitterrand's hostility reflected the views of the French farm organisations which had been presented formally to the French Government only in the week or so before Athens (they came out finally against the super-levy as proposed by the Commission, but ready to concede progressive corresponsibility measures within national quotas). Guillaume, President of the main farm union evidently put these views across forcefully when he called at the Elysée on 1 December and took an equally tough line on enlargement, *inter alia*. Mitterrand is sensitive to the farm lobby, and Guillaume's call may have influenced his stand on matters going wider than milk.

5. It seems more likely that Mitterrand, while influenced by developments in the previous ten days or so, did not finally decide how to play his hand until he had sensed the atmosphere at Athens. This line has been put about by French officials: while it obviously contains an element of propaganda, it is not inconceivable that Mitterrand's distaste for "mégotage", combined with over-simplified briefing, led him to decide at the summit that the time was not ripe for satisfactory decisions. He therefore reverted to the old first principles of the French position on the UK budget refund, while at some stages of the various meetings apparently indicating flexibility of the figures, and took a tough defensive line on the other major dossiers.



ownership of the principal means of production as an instrument of social change is tempered by a strong libertarian streak. Defence of individual rights and personal freedom and the promotion of social justice are the dominant themes of his writing. Mitterrand likes to depict himself as a free agent bound by no particular political creed, philosophy or religion. His pragmatism makes it all the more difficult to predict how he will react to new circumstances.

14. What lessons can be learnt from the style of the Mitterrand presidency about the best means of trying to influence him on matters of interest to the UK? The concentration of power in Mitterrand's own hands makes it a prime objective to try to get our views through to him both directly and indirectly. This is not an easy task: Mitterrand is not readily accessible even to his own staff. He does not receive visiting Ministers (except Prime Ministers) from other Community countries and only sees Ambassadors in rare and exceptional circumstances. He does not always reply to messages from other Heads of Government; and when he was in a sour mood with the US President over the Soviet pipeline he apparently refused either to read Reagan's letters or to respond to a telephone call. Quite apart from his own temperamental inclination, he has absorbed from De Gaulle the notion that a national leader should keep himself somewhat aloof, remote and inscrutable.



15. This means that as far as the UK is concerned a considerable burden has to rest on the Prime Minister personally: no-one else will be in a position to put British views directly to Mitterrand on a regular and continuing basis or to develop a relationship through which he can be directly influenced. Mitterrand respects the Prime Minister; and such evidence as we have about his private thoughts suggests that he wants a good working relationship and would like to win her approval. In personal contact he has been on the whole reasonably direct, open and forthcoming. He has on occasion shown evidence of a deeper and more positive concern about Anglo-French relations than any of his recent predecessors. There is therefore a good basis on which to build in the remaining five years of his period of office. Could this link at the top level be strengthened by having bilateral summits twice a year rather than once? I hope this will not be excluded from consideration at some point in the future, but I think that for the time being it would be more effective to seek to maintain continuity by arranging bilateral discussions - which might be quite short - in the margins of meetings of the European Council and of summit meetings of the Seven. Such personal exchanges could be supplemented on occasion by written messages. Ideally these should not always relate to subjects which are a matter of disagreement between Britain and France. The occasional message relating to a Community crisis is more likely to command a sympathetic hearing if it comes against a background of exchanges on subjects where we





have interests in common. Messages need to form part of an ongoing dialogue rather than being used primarily to appeal against decisions taken lower down in the Government machine.

16. There are of course many channels by which we can get our ideas through to Mitterrand indirectly. We are in touch, with varying degrees of frequency, with all the key members of the Elysée staff. The Embassy's contacts are usefully re-inforced by direct exchanges between Whitehall and French officials; and these in turn have been put on a firmer and more regular basis since they were endorsed at the last bilateral summit. We can also seek to influence discussion in the French Council of Ministers through regular contact with the key French Ministers concerned - Mauroy, Delors, Cheysson, Rocard, Fabius etc - both by British Ministers and by the Embassy. Certain French officials, especially Gutmann the Secretary General at the Quai, also play a part in the decision-making process in the Elysée. We have in addition been casting the net wider by making contact with industrialists, journalists and even members of Mitterrand's family whom we know to have contact with him: there is no certainty that they will transmit the particular views we want to put across, but we can make sure that British concerns are at least present in their minds. I believe that in these ways we can ensure that Mitterrand, even though somewhat cut off in the Elysée, is continually aware of British views and interests.

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Prime Minister.

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FRAME ECONOMIC

FM PARIS 081837Z DEC 83

TO PRIORITY FCO

TELEGRAM NUMBER 1140 OF 8TH DECEMBER

INFO ROUTINE DUBLIN, LUXEMBOURG, BONN, THE HAGUE, BRUSSELS,  
COPENHAGEN, UKREP BRUSSELS, ROME, ATHENS.*An interesting comment**from Sir J. Fretwell a**French attitude.**A.S.C. 12/12.*EUROPEAN COMMUNITY: FIRST REACTIONS IN FRENCH GOVERNMENT AFTER  
ATHENS.

## SUMMARY.

1. THERE HAS NOT YET BEEN TIME FOR THE FRENCH ADMINISTRATION TO FORM A VIEW ON HOW TO PICK UP THE THREADS OF NEGOTIATION AFTER ATHENS. MINISTERS ARE, FOR THE MOST PART, PUTTING ON A BRAVE FACE IN PUBLIC THOUGH THERE ARE AGAIN SIGNS OF DISAGREEMENT AMONGST THEM.

## DETAIL

2. AT THE NATIONAL ASSEMBLY YESTERDAY CHEYSSON CLAIMED THAT FRANCE AND GERMANY HAD REACHED AN AGREEMENT WHICH WOULD PERMIT EXISTING MCAS TO DISAPPEAR. BUT ROCARD, MINISTER OF AGRICULTURE IS NOW BEING QUOTED AS SAYING THAT THERE WERE NO NEGOTIATIONS IN THE MARGINS AT ATHENS AND THAT AGREEMENT COULD ONLY BE REACHED BY TEN NOT BY TWO. CHEYSSON ALSO CLAIMED THAT NO-ONE NOW INSISTED THAT MILK PRODUCTION IN FRANCE SHOULD BE REDUCED FROM ITS 1983 LEVEL. MOREL AT THE ELYSEE ADOPTED ATTACK AS THE BEST MEANS OF DEFENCE WHEN SPEAKING TO THE TIMES AND THE FINANCIAL TIMES YESTERDAY. BUT IN THEIR FIRST CONTACTS WITH US, OFFICIALS HAVE SPOKEN IN A DIFFERENT TONE.

3. PREVEL, SECRETARY GENERAL OF THE SGCI, SPEAKING PERSONALLY, ADMITTED THAT HE AND OTHER MEMBERS OF THE FRENCH DELEGATION HAD BEEN SURPRISED BY MITTERRAND'S PERFORMANCE AT ATHENS, PARTICULARLY ON THE BUDGET ISSUE. IT HAD SEEMED TO THEM AS THOUGH HE HAD NOT APPLIED HIS MIND TO THE SUBJECT SINCE STUTTGART, AND HAD THEREFORE REVERTED TO FIRST PRINCIPLES. RUSQUEC (DIVISION CHIEF FOR EUROPEAN AFFAIRS AT THE TRESOR) SAID THAT OFFICIALS THERE WERE PERPLEXED. THE SGCI AND THE MINISTRY OF FINANCE ARE SOMEWHAT APPREHENSIVE OF THE DIFFICULTY FOR THE FRENCH PRESIDENCY OF PREPARING THE NEXT SUMMIT DISCUSSION OF THE MAJOR ISSUES.

4. OFFICIALS TAKE THE VIEW THAT THE PROGRESS MADE IN BRUSSELS TOWARDS AGREEMENT ON FINANCIAL ISSUES REMAINED A REALITY DESPITE THE LACK OF AGREEMENT IN ATHENS. EVEN MOREL TOLD MISS GEDDES AND HOUSEGO THAT THE FRENCH ACCEPTED THE PRESIDENCY PROPOSAL ON THE BUDGET AS LEADING TOWARDS A SOLUTION. NEITHER THE SGCI NOR THE TRESOR HAS CONSIDERED TO THE WASTE BASKET THE SECOND FRENCH PAPER ON BUDGET DISCIPLINE, CIRCULATED IN BRUSSELS ON 29 NOVEMBER. NO OFFICIAL REGARDS ATHENS AS HAVING MADE IMPOSSIBLE

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FURTHER WORK ON A 'DURABLE SOLUTION' TO THE PROBLEM OF BUDGET IMBALANCES. THE SGCI DO THINK THAT AMENDMENT OF THE TREATY OF ROME, AS IMPLIED BY THE DELORS PAPER OF 28 NOVEMBER, SHOULD BE FORGOTTEN FOR THE TIME BEING, (PARTLY, AT LEAST, THEY SAY BECAUSE THE GERMANS ARE SET AGAINST CURTAILING THE EUROPEAN PARLIAMENT'S POWER), BUT THE TRESOR ARE LESS READY TO GIVE UP THE IDEA.

5. NO CLEAR IDEAS ON ORGANISATIONAL ASPECTS OF THE NEGOTIATION ARE LIKELY TO EMERGE UNTIL THE MIDDLE OF NEXT WEEK. THE SINGLE PREPARATORY GROUP IS REGARDED AS HAVING MADE LITTLE PROGRESS, LARGELY BECAUSE ONLY A MINORITY OF COUNTRIES APPOINTED MINISTERS TO IT. CHEYSSON IS THOUGHT TO LEAN TO THE VIEW THAT HEADS OF STATE AND GOVERNMENT SHOULD TAKE A CLOSER INTEREST IN THE PREPARATION OF THE NEXT SUMMIT DISCUSSION. OFFICIALS ARE DETERMINED THAT BOTH THE NUMBER OF ISSUES AND THEIR TECHNICAL COMPLEXITY MUST BE REDUCED FOR SUMMIT CONSIDERATION. RUSQUEC CLEARLY RELISHED THE OPPORTUNITIES THAT THE OCCUPATION OF THE PRESIDENCY WOULD OFFER FRENCH MINISTERS FOR DRAWING TOGETHER THE THREADS OF NEGOTIATION THROUGH A SERIES OF BILATERAL CONTACTS IN THE MONTHS TO COME. THE CHOICE OF A SUCCESSOR TO CHANDERNAGOR (ASSUMING THAT THERE IS ONE, AS OFFICIALS SUPPOSE) WILL BE IMPORTANT. IT IS NOT YET KNOWN WHETHER HE WILL HAVE THE RANK OF MINISTER DELEGUE, AS DID CHANDERNAGOR, OR THE MORE JUNIOR TITLE OF STATE SECRETARY. FOR THE MOMENT THE SGCI IS DIRECTLY RESPONSIBLE TO THE PRIME MINISTER.

COMMENT

6. ON THE BASIS OF THE INCOMPLETE ACCOUNT OF DISCUSSIONS AT ATHENS WHICH WE HAVE SO FAR RECEIVED, I SUSPECT THAT MITTERRAND DECIDED, PERHAPS JUST BEFORE SETTING OUT, THAT HE DID NOT WANT TO MAKE THE COMPROMISES NECESSARY TO REACH AGREEMENT AT THIS STAGE. THE FIRST DAY'S DISCUSSION ON AGRICULTURE MAY HAVE REINFORCED HIS ANXIETY ABOUT TAKING A RAFT OF CONTROVERSIAL DECISIONS. HE MAY BELIEVE THAT HE CAN USE THE NEXT SIX MONTHS TO HIS OWN POLITICAL ADVANTAGE IN THE RUN UP TO THE EUROPEAN ELECTIONS AND THAT ANY DECISIONS WHICH CANNOT BE DELAYED CAN EITHER BE SWUNG A LITTLE IN THE FRENCH DIRECTION OR AT LEAST BE PUT IN A FORM MORE PALATABLE TO DOMESTIC OPINION. IN THE MEANTIME, HE AND HIS MINISTERS WISH TO AVOID FRANCO-BRITISH RECRIMINATION AND HAVE ABSTAINED FROM FEEDING THE NATURAL INSTINCTS OF THE PRESS TO ENGAGE IN IT.

MOREL SAID YESTERDAY THAT THE PRESIDENT WAS CONCERNED THAT THE FUNDAMENTALS OF OUR CLOSE BILATERAL RELATIONSHIP SHOULD NOT BE IMPAIRED.

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7. I DOUBT WHETHER MITTERRAND EVER REALLY GOT TO GRIPS WITH THE ISSUES OR THAT HE HAS THOUGHT THROUGH THE PROBLEM OF DEALING WITH THEM IN THE FRENCH PRESIDENCY. WITH NO EARLY PROSPECT OF ADDITIONAL OWN RESOURCES THE DIFFICULTIES OF THE AGRICULTURAL PRICE FIXING WILL OBVIOUSLY BE FORMIDABLE. AWARENESS OF THIS MAY EXPLAIN WHY ROCARD IS CLEARLY PUTTING DOWN A PUBLIC RESERVATION ABOUT THE OUTCOME OF ATHENS.

FRETWELL

FRAME ECONOMIC  
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THIS TELEGRAM  
WAS NOT  
ADVANCED

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9 DEC 1983

