

GRS 800

UNCLASSIFIED

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TO IMMEDIATE FCO

TELEGRAM NUMBER 800 OF 27 JUNE

INFO IMMEDIATE UKREP BRUSSELS, PRIORITY OTHER EC POSTS

FONTAINEBLEAU: FRENCH PRESS COVERAGE

SUMMARY

1. LITTLE EDITORIAL COMMENT SO FAR. MOST REPORTING REFLECTS THE 'NEITHER CONQUEROR NOR CONQUERED' LINE OF THE ELYSEE SPOKESMAN ON 26 JUNE AND ACCEPTS THAT BRITAIN AND THE NINE BOTH MADE CONCESSIONS. AGREEMENT SEEN AS A SUCCESS FOR THE FRENCH PRESIDENCY, BUT ONE OR TWO DOUBTS ABOUT THE COSTS AND DURABILITY OF THE BUDGET DEAL AND THE COST OF THE CONCESSION TO GERMAN FARMERS.

DETAIL

2. SAMPLES OF TODAY'S FRENCH PRESS BELOW TO GIVE THE FLAVOUR. MORE DETAILED ANALYSIS TO FOLLOW.

3. LIBERATION (INDEPENDENT LEFT-WING):

'ONE CAN AT LAST TALK ABOUT SOMETHING ELSE AT EUROPEAN SUMMITS. THE PROBLEM OF BRITAIN'S CHEQUE WAS SOLVED YESTERDAY AT FONTAINEBLEAU, AT LEAST FOR A FEW YEARS HOW LONG DOES THE SYSTEM LAST? ... THE BRITISH ... THINK THAT SINCE THE AGREEMENT CANNOT BE OVERTURNED EXCEPT ON A BASIS OF UNANIMITY, IT WILL LAST AS LONG AS THEY WANT ACCORDING TO THE FRENCH THE AGREEMENT REPRESENTED A GREAT REVERSE FOR BRITISH DEMANDS THEY QUALIFIED THE SYSTEM AS LIMITED IN TIME IN SUM THIS AGREEMENT ON THE BRITISH COMPENSATION IS PERHAPS HISTORIC - IT CERTAINLY OPENS 'NEW PATHS FOR THE COMMUNITY', BUT ONE CANNOT HELP THINKING THAT THE DIFFERENCES OF INTERPRETATION ... CARRY THE SEED OF PROBLEMS FOR EUROPE.'

LE MATIN (SOCIALIST):

'WHO WON? NO-ONE, IN REALITY ... MITTERRAND FULFILLED HIS MANDATE TO GET RID OF THE SCARS OF THE PAST AND PUT FORWARD SOME NEW IDEAS. THATCHER LEFT FOR LONDON WITH MONEY IN HER BAG, NOT AS MUCH AS SHE WANTED (LOST OPPORTUNITIES DO NOT RECUR) BUT, THIS TIME, THE CHEQUES ARE DATED AND SIGNED. KOHL GOT WHAT HE WANTED FOR HIS FARMERS. NONE OF THE OTHER SEVEN REBELLED. EACH MADE HIS OWN CONTRIBUTION AND FOR THE FIRST TIME FOR A LONG TIME, THE BRITISH DID SOMETHING FOR EUROPE'.

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LE FIGARO (RIGHT-WING):

"THE AGREEMENT REACHED WITH GREAT DIFFICULTY IS REGARDED AS SATISFACTORY BY ALL THE PARTICIPANTS IN THE FONTAINEBLEAU SUMMIT ... ONE CAN JUDGE THAT THE AGREEMENT IS SATISFACTORY TO THE EXTENT THAT IT IS BALANCED, EACH HAVING MADE CONCESSIONS."

LE QUOTIDIEN DE PARIS (RIGHT-WING):

"IN AGREEING TO SIGN A CHEQUE FOR 1 BILLION ECU FOR MRS THATCHER, THE PRESIDENT GAINED AN AGREEMENT WHICH COULD PASS FOR A SUCCESS. UNFORTUNATELY, IT IS FRANCE WHICH WILL PAY ... IN EFFECT, IN AGREEING TO REIMBURSE TO MARGARET THATCHER A PART OF HER CONTRIBUTION, FRANCE IS COMMITTING HERSELF TO DRAWING ON HER OWN RESOURCES AND GOING BACK ON CERTAIN PRINCIPLES WHICH IT HAD AFFIRMED SINCE 1981 ... THAT SAID, IN SUM, MARGARET THATCHER DOES NOT SEEM TO HAVE SHOWN AT FONTAINEBLEAU HER LEGENDARY FIRMNESS ... THE MECHANISM INSTALLED YESTERDAY IS TEMPORARY SINCE, FROM 1986, THE EEC WILL HAVE TO START WORK AGAIN ON INCREASING ITS OWN RESOURCES AND THE BRITISH CHEQUE WILL BE THE SUBJECT OF NEW NEGOTIATIONS". "THE FRENCH DELEGATION CAN BRANDISH ALL THE VICTORY DESPATCHES IT LIKES AT BOTTOM, THIS PSEUDO-AGREEMENT ONLY IMPRESSES THOSE WHO DO NOT WANT TO ADMIT THAT MRS THATCHER, BY HER OBSTINACY, HAS SINCE ATHENS OBLIGED HER EEC PARTNERS, AND FOREMOST AMONG THEM FRANCE, TO RECOGNISE THE ABERRANT WORKING OF THE COMMUNITY ... GREAT BRITAIN WANTS NO MORE OF THE EUROPE WHICH SPENDS 75 PERCENT OF ITS BUDGET IN SUPPORT OF AGRICULTURAL PRODUCTION AND SOME 8 MILLION FARMERS".

LES ECHOS (BUSINESS): HEADLINE

"THE IRON LADY FINISHED BY GIVING IN". "THIS FORMULATION (SC. OF NEITHER CONQUEROR NOR CONQUERED) CAN BE JUDGED BY COMPARING WHAT MRS THATCHER GOT WITH WHAT SHE WOULD HAVE RECEIVED IF SHE HAD ACCEPTED THE MORE GENEROUS OFFER AT BRUSSELS THREE MONTHS AGO ACCORDING TO THE FORMULA ADOPTED YESTERDAY (66 PERCENT OF 1681 MILLION) GREAT BRITAIN WOULD HAVE RECEIVED IN 1983 A CHEQUE FOR JUST OVER 1.109 MILLION. THE BRITISH NET CONTRIBUTION FOR 1984 AND FOLLOWING YEARS IS UNKNOWN, BUT ONE NOTES THAT THE TWO FORMULAS (SC. BRUSSELS AND FONTAINEBLEAU) GIVE ABOUT THE SAME REIMBURSEMENT (SOME 1.3 BILLION ECU) FOR A NET CONTRIBUTION OF 2 BILLION. ON THE OTHER HAND, THE BRUSSELS PROPOSAL WOULD HAVE GIVEN HIGHER CHEQUES IF THE CONTRIBUTION HAD EXCEEDED THIS THRESHOLD, COMPARED TO THOSE WHICH WILL BE PAID AS A RESULT OF THE FONTAINEBLEAU FORMULA A STEP HAS BEEN CROSSED. BUT DIFFICULTIES OF THE SAME

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/KINE

KINE WILL ARISE WHEN IT WILL BE NECESSARY TO INCREASE ONCE AGAIN
THE COMMUNITY'S RESOURCES''.

- FRETWELL

E C BUDGET

LIMITED

ECD (I)

ECD (E)

PS

PS/LADY YOUNG

PS/MR RIFKIND

PS/PUB

SIR J BULLARD

MR RENWICK

SIR C TICKELL

BUCKINGHAM PALACE

NEWS DEPT

WED

(3)

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