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FM UKREP BRUSSELS 041830Z OCT 84

TO IMMEDIATE F C O

TELEGRAM NUMBER 3164 OF 4 OCTOBER,

INFO PRIORITY PARIS

ROUTINE COPENHAGEN THE HAGUE ROME DUBLIN BONN ATHENS

LISBON MADRID

INFO SAVING BRUSSELS LUXEMBOURG.

*Summary only  
cop**ms***ENLARGEMENT : THE PROSPECTS.**

1. THIS WEEK'S FOREIGN AFFAIRS COUNCIL HAS LEFT THE COMMUNITY WELL BEHIND IN ITS ENLARGEMENT TIMETABLE, AND FACING AN INCREASING PROBLEM OF CREDIBILITY WITH SPAIN AND PORTUGAL. (A SENIOR COMMISSION OFFICIAL HAS COMMENTED TO US PRIVATELY THAT IN HIS VIEW IT WOULD NOT NOW BE POSSIBLE TO MEET THE 1 JANUARY 1986 DEADLINE.) IF WE CANNOT GET AHEAD SOON, THE GERMAN POSITION ON OWN RESOURCES WILL BEGIN TO MAKE THE IMPLEMENTATION OF THE WHOLE FONTAINEBLEAU PACKAGE PRECARIOUS IN THE TIME-SCALE REQUIRED.

IN THESE CIRCUMSTANCES WE NEED TO CONSIDER HOW BEST TO GENERATE IMPULSION IN THE COMMUNITY'S WORK: AND HOW TO BRING PRESSURE TO BEAR ON THOSE MEMBER STATES WHICH ARE BLOCKING KEY DOSSIERS.

## PROCEDURE

2. OUR IMMEDIATE OBJECTIVE SHOULD BE TO COMPLETE WORK ON THE DUBLIN PACKAGE, PLUS WINE IF POSSIBLE, PLUS SPANISH AGRICULTURE (POSSIBLY EXCLUDED FROM THE PACKAGE AT FRENCH INSTIGATION) SO THAT DECLARATIONS CAN BE PUT TO SPAIN AND PORTUGAL IN OCTOBER. THIS MEANS BUILDING UP THE PRESSURE FOR AGREEMENT OVER THE NEXT TWO WEEKS AND GETTING THE PRESIDENCY TO RESERVE A WHOLE DAY AT THE COUNCIL PLUS THE EVENING SO THAT THERE IS ADEQUATE TIME TO DEAL WITH THESE ISSUES BEFORE THE MEETINGS WITH SPAIN AND PORTUGAL ON THE FOLLOWING DAY. DEPENDING ON THE AMOUNT OF OTHER BUSINESS BEFORE THE COUNCIL, IT MIGHT BE A GOOD IDEA TO INVITE THE SPANIARDS AND PORTUGUESE TO COME ON THE WEDNESDAY RATHER THAN THE TUESDAY.

## THE ISSUES.

3. ON THE SUBSTANCE OF THE PACKAGE, THE MAJOR DIFFICULTIES COME FROM GREEK INSISTENCE ON AMENDMENTS TO THE PRESIDENCY'S TEXT ON OLIVE OIL: AND FRENCH OBSTRUCTIVENESS ON INDUSTRIAL TARIFF TRANSITION AND SPANISH AGRICULTURE.

4. THE NOW REDUCED GREEK DEMAND FOR THE DELETION OF 5 LINES IN THE PRESIDENCY'S OLIVE OIL TEXT DOES NOT CHANGE THE SUBSTANCE A GREAT DEAL. IN ONE RESPECT IT REPRESENTS AN IMPROVEMENT, SINCE IT DILUTES THE REFERENCE TO OILS AND FATS. THE GERMANS WERE UNABLE TO MOVE FROM THE PRESIDENCY PROPOSAL AND THEY ARE

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CLEARLY RIGHT TO FEAR THE SLIPPERY SLOPE. BUT DIMADIS (GREEK PR) INDICATED TO ME THAT ALL ENLARGEMENT ISSUES WERE NOW LINKED IN PAPANDREOU'S MIND WITH IMPs AND THAT PANGALOS HAD NO DISCRETION ON OLIVE OIL. THE REFERENCE IN THE PRESIDENCY TEXT TO A TIME LIMIT FOR INTRODUCTION OF A NEW REGIME SEEMS TO CAUSE THE GREEKS PARTICULAR DIFFICULTY. THE GERMANS INSIST ON RETAINING IT, THOUGH THE TIMING COULD PERHAPS BE INDIRECTLY COVERED BY THE ADDITIONAL PARAGRAPH DEALING WITH PRICE ALIGNMENT, PROVIDED THAT THIS TEXT IS NOT IN ANY WAY DILUTED: WE SHOULD ALSO NEED TO LOOK CAREFULLY AT BOTH PARTS OF THE TEXT TO ENSURE THAT ADEQUATE LINKAGE WITH REFORM OF THE REGIME WAS MAINTAINED. IN THESE CIRCUMSTANCES AND GIVEN THE DIFFICULTY OF GETTING AT PAPANDREOU, MIGHT THE BEST MEANS OF UNBLOCKING THE ISSUE NOT BE TO TRY TO GET THE GERMANS TO ACCEPT THE GREEK TEXT IN THE CONTEXT OF AN OVERALL PACKAGE ?

5. THE FRENCH TOO SEEMED TOTALLY INFLEXIBLE ON AGRICULTURE, THOUGH THEIR OFFICIALS DID ASSURE ME THAT THEY WERE READY TO SOLVE THE HIGH TARIFF PROBLEM BY DUTY QUOTAS ON CARS. WE MUST TEST THIS BY TRYING TO MAKE RAPID PROGRESS IN THE GROUP. WHILE A LITTLE FLEXIBILITY SEEMED TO BE EMERGING IN THE FRENCH POSITION ON FISHERIES IN BILATERAL CONTACTS, THIS WAS NOT BORNE OUT BY BAYLET IN THE COUNCIL YESTERDAY.

6. AS REGARDS THE SURVEILLANCE MECHANISM FOR FRUIT AND VEGETABLES, IT APPEARS THAT ONLY THE DUTCH HAVE A COMPLETELY FIRM POSITION ON THIS ISSUE. OUR OWN INTEREST IS TO SEE THAT IF THE FRENCH DO GET THEIR WAY, RESTRICTIONS ON SPANISH EXPORTS IN THIS SECTOR ARE NOT BALANCED BY SPANISH RESTRICTIONS ON BEEF, PORK, CEREALS AND MILK PRODUCTS WHERE WE MAY HAVE SOMETHING TO GAIN BOTH THROUGH EXPORTS AND IN BUDGETARY TERMS AS SPANISH CONSUMPTION REDUCES SURPLUSES. SHOULD WE TRY TO EXPLORE THE POSSIBILITY OF A DEAL WITH THE FRENCH ? IT WOULD HAVE TO COVER THE QUESTION OF TARIFFS AS WELL AS AGRICULTURE SINCE THE FRENCH CLEARLY HOPE TO EMERGE VICTORIOUS ON AGRICULTURE WHILE MAKING US CONCEDE ON INDUSTRY.

7. I AM NOT SURE THAT THIS FRENCH GOVERNMENT IS CAPABLE, EVEN IF IT WERE WILLING, TO REACH AN UNDERSTANDING WITH US.

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THEY SEEMED DIVIDED ON SO MANY ISSUES: AND ARE CLEARLY ALL BUSILY PLOTTING END-GAMES IN WHICH EVERYONE PAYS BUT FRANCE. BUT IT MAY WELL IMPROVE OUR TACTICAL POSITION TO TRY. IF WE WERE TO DO SO, I THINK WE SHOULD NEED TO START WITH AN EARLY MESSAGE FROM THE PRIME MINISTER TO MITTERRAND.

8. I HOPE TO DISCUSS ALL THIS AT WILLIAMSON'S MEETING TOMORROW.

FCO ADVANCE TO:-

FCO - RENWICK, CROWE, EVANS ECD(E).

CAB - MISS LAMBERT, WILLIAMSON.

DTI - MISS LACKEY, BROTHERTON ECIP, R.WILLIAMS.

MAFF- MELVILLE, ROBERTS (SUGAR OILS+FATS), ANDREWS, MASON,  
GRIFFITHS, HADDON.

TSY - BOSTOCK.

FCO PASS SAVING TO: LUXEMBOURG.

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