

GRS 220

RESTRICTED

RESTRICTED

FM PARIS 151130Z MAR 85

TO IMMEDIATE F C O

TELEGRAM NUMBER 209 OF 15 MARCH

INFO PRIORITY UKREP BRUSSELS

INFO SAVING ATHENS, BONN, BRUSSELS, COPENHAGEN, DUBLIN, THE HAGUE,
LUXEMBOURG, ROME.

YOUR TELNO 108 TO BONN: IMPS

SUMMARY

1. THE FRENCH MAY BE RECEPTIVE TO OUR VIEW ON NON-TILTING OF
STRUCTURAL FUNDS TOWARDS THE MEDITERRANEAN, BUT SOME SIGNS OF
READINESS TO ACCEPT ADDITIONAL FUNDING OF THE ORDER PROPOSED BY THE
COMMISSION.

DETAIL

2. BLANCHEMAISON (SGCI) OFFERED THE FOLLOWING VIEWS ON THE
COMMISSION PROPOSALS ON IMPS. THE FRENCH HAD NOT YET DECIDED THEIR
LINE ON THE PROPOSED 2 BILLION ECU ADDITIONAL FUNDING. THE UK AND
GERMANY MIGHT WISH TO SEE THAT FIGURE SUBSTANTIALLY REDUCED, BUT
SUCH A SUM WOULD NOT GO FAR ONCE CLAIMS WERE MADE BY GREECE (WHO
WOULD HAVE TO BE ACCORDED THE MAJOR SHARE), ITALY AND FRANCE. IN
VIEW OF POLITICAL COMMITMENTS TO FRENCH PRODUCERS IN THE SOUTH, IT
WAS ESSENTIAL THAT FRANCE SHOULD RECEIVE A RESPECTABLE SHARE, SO A
FIGURE NOT FAR REMOVED FROM 2 BILLION ECU WOULD PROBABLY BE NEEDED
TO SATISFY ALL CONCERNED.

3. ON THE PROPOSED TILT TOWARDS THE MEDITERRANEAN, BLANCHEMAISON
SHOWED SYMPATHY WITH THE UK LINE THAT THIS WAS UNACCEPTABLE IN THE
PRINCIPLE. IF THE BIAS WERE MAINTAINED, THIS WOULD HEIGHTEN THE RISK
OF THE SPANISH AND PORTUGUESE, ONCE MEMBERS, THEMSELVES SEEKING TO
STAKE A CLAIM ON THE IMP FUNDS, WHICH WOULD MAKE A NONSENSE OF THE
PURPOSE WHICH IMPS WERE INTENDED TO SERVE.

F C O PLEASE PASS SAVINGS

FRETWELL

FRAME STRUCTURAL

ECB(1)

[REPEATED AS REQUESTED]

RESTRICTED

GR 330
UNCLASSIFIED [FRANC BURNAL]
FM ATHENS 150600Z MAR 85
TO PRIORITY FCO
TELEGRAM NUMBER 154 OF 15 MARCH 1985
INFO ROUTINE UKREP BRUSSELS
INFO SAVING OTHER EC POSTS

GREECE: HMPS.

SUMMARY

1. AT A PRESS CONFERENCE PANGALOS REPEATED GREECE'S KNOWN POSITION ON HMPS AND ATTACKED BRITISH OPPOSITION TO A SETTLEMENT.

DETAIL

2. AT A PRESS CONFERENCE ON 14 MARCH PANGALOS (DEPUTY FOREIGN MINISTER FOR EC AFFAIRS) REITERATED GREECE'S DEMAND FOR A SETTLEMENT ON HMPS CLOSE TO THE ORIGINAL COMMISSION PROPOSAL (38.5 PER CENT OF 6.6 BILLION ECU). HE ARGUED THAT THIS FIGURE HAD BEEN CAREFULLY CALCULATED BY THE COMMISSION AS REPRESENTING WHAT GREECE NEEDED IN ORDER TO COPE WITH ENLARGEMENT AND THAT THE COMMISSION HAD CONSIDERED CAREFULLY GREECE'S CAPACITY TO ABSORB THIS FUNDING. FOUR PILOT PROJECTS ON HMPS HAD BEEN UNDER WAY IN GREECE SINCE THE BEGINNING OF THE YEAR AND WERE WORKING SATISFACTORILY. THE INCREASE IN OWN RESOURCES WOULD FINANCE HMPS. THUS THERE WAS NO QUESTION OF ADDITIONAL FINANCING BEING REQUIRED. PANGALOS DID NOT, HOWEVER, EXPLICITLY ARGUE THAT HMPS SHOULD BE UNDER A SEPARATE BUDGET LINE AS OPPOSED TO BEING FINANCED FROM THE STRUCTURAL FUNDS.

3. PANGALOS WENT OUT OF HIS WAY TO ATTACK BRITAIN'S POSITION AND THE BRITISH PRIME MINISTER PERSONALLY, CLAIMING THAT MRS THATCHER HAD NOT BEEN PROPERLY BRIEFED ON HMPS. HE ALSO ATTACKED UNSPECIFIED EC COUNTRIES FOR THEIR DEMANDS FOR CLOSER POLITICAL UNITY WHILE REFUSING EXPENDITURE TO SUPPORT THE LESS DEVELOPED. HE REJECTED THE CONCEPT OF SOME EC COUNTRIES WHO SAW THE COMMUNITY AS SIMPLY A MEANS TO A FREE MARKET IN GOODS AND SERVICES. GREECE WAS NOT INTERESTED IN THIS SORT OF FREE MARKET.

ENLARGEMENT

4. PANGALOS AVOIDED QUESTIONS WHICH TRIED TO PIN DOWN THE POSITION OF THE GREEK GOVERNMENT WITH REGARD TO A VETO ON ENLARGEMENT IF THEY WERE NOT SATISFIED ON HMPS, MERELY CLAIMING THAT ENLARGEMENT NEGOTIATIONS WITH SPAIN AND PORTUGAL HAD SOME WAY TO GO. IN THIS CONTEXT HE ATTACKED THE POSITION OF THE FIVE ON FISHING AS BEING 'COLONIALIST' AND AS BEING AN EXCESSIVE DEMAND ON THE SPANISH GOVERNMENT.

/CRAXI'S

[altogether too well briefed for his liking!]

CRAXII'S VISIT

5. IN REPLY TO A QUESTION, PANGALOS SAID THAT PAPANDREOU HAD BRIEFED THE ITALIAN PRIME MINISTER, CRAXII, ON ALL GREEK EC POSITIONS, BUT WOULD NOT BE DRAWN ON ANY SUBSTANCE OF THE DISCUSSIONS.

FCO PLEASE PASS SAVING ADDRESSEES.

R H O D E S

(REPEATED AS REQUESTED)

FRAME EXTERNAL
ECD(E)