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TO PRIORITY FCO  
TELEGRAM NUMBER 185 OF 1 APRILINFO PRIORITY PARIS, BONN AND ROME.  
INFO SAVING TO BRUSSELS, COPENHAGEN, THE HAGUE, LUXEMBOURG,  
DUBLIN, UKREP BRUSSELS, MADRID AND LISBON.**INTEGRATED MEDITERRANEAN PROGRAMMES (IMPS): GREEK REACTIONS.**

## SUMMARY

1. GREEK GOVERNMENT PRESENT IMPS SETTLEMENT AS A TRIUMPH FOR GREEK DIPLOMACY. THE OPPOSITION ATTACK PAPANDEOU FOR SETTLING FOR LESS THAN THE ORIGINAL COMMISSION PROPOSALS. THE PRESS DIVIDE ON PARTY LINES.

## DETAIL

2. THE GREEK MINISTER FOR EC AFFAIRS, PANGALOS, SPEAKING TO JOURNALISTS ON HIS RETURN FROM BRUSSELS ON 31 MARCH, PRESENTED THE SETTLEMENT ON IMPS AS A DEAL WHICH WOULD GIVE GREECE A FIRM COMMITMENT TO RECEIVE AT LEAST 2 BILLION ECU OVER 7 YEARS AND AS REPRESENTING A TRIUMPH FOR GREEK DIPLOMACY AND PAPANDEOU PERSONALLY.

3. PANGALOS ALSO EMPHASISED THE SIGNIFICANCE OF THE SETTLEMENT AS REPRESENTING AN UNPRECEDENTED TRANSFER OF RESOURCES FROM THE NORTH TO THE SOUTH WITHIN THE COMMUNITY. THE GREEK GOVERNMENT REGARDED THE DEAL AS A FAIR SETTLEMENT TO OFFSET THE ECONOMIC AND FINANCIAL COSTS OF ENLARGEMENT, BUT THEY DID NOT REGARD IT AS A FINAL SETTLEMENT OF THE GREEK MEMORANDUM.

4. THE GREEK OPPOSITION LEADER, MITSOTAKIS, HAS ISSUED A STATEMENT CLAIMING THAT GREECE HAD COME OFF BADLY BY THE SETTLEMENT AND CHARGING PAPANDEOU WITH MISHANDLING THE WHOLE ISSUE. MITSOTAKIS ATTACKED PAPANDEOU FOR ACCEPTING A DEAL WORTH LESS THAN THE ORIGINAL DELORS PROPOSAL (I.E. A TOTAL OF 6.6 BILLION ECU AS OPPOSED TO 7.7 BILLION ECU) AND CLAIMED THAT GREECE'S REAL SHARE OF NEW MONEY (0.8 BILLION ECU) WAS SUBSTANTIALLY LESS THAN THE 2.5 BILLION ECU ENVISAGED UNDER THE ORIGINAL COMMISSION PROPOSALS.

5. THE GREEK PRESS HAVE DIVIDED ON PREDICTABLE PARTY LINES IN SUPPORT OF OR AGAINST THE DEAL

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6. I WOULD JUDGE THAT PAPANDREOU IS WELL PLEASED WITH THE OVERALL DEAL WHICH LOOKS ELECTORALLY PRESENTABLE. MITSOTAKIS' ATTACK DOES NOT SEEM WELL FOUNDED. THIS ASSESSMENT WAS SUPPORTED, IN CONVERSATION WITH A MEMBER OF MY STAFF OVER THE WEEKEND, BY THE FOREIGN MINISTER'S PRIVATE SECRETARY WHO EXPRESSED RELIEF THAT THE ISSUE HAD BEEN SETTLED SO QUICKLY ON TERMS WHICH GREECE HAD HAD LITTLE DIFFICULTY IN ACCEPTING.

7. FCO PLEASE PASS TO ALL SAVING ADDRESSEES.

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