

RR COPENHAGEN

RR LUXEMBOURG

RR ROME

RR ATHENS

RR UKREP BRUSSELS

RR DUBLIN

GRS 69φ

CONFIDENTIAL

FM PARIS 251557Z MAR 82

TO IMMEDIATE FCO

TELEGRAM NUMBER 281 OF 25 MARCH 1982

INFO ROUTINE WASHINGTON, BONN, BRUSSELS, COPENHAGEN, LUXEMBOURG, ROME, ATHENS, UKREP BRUSSELS, DUBLIN, INFO SAVING UKDEL STRASBOURG, CONSULS GENERAL FRANCE.

MIPT: EUROPEAN COUNCIL

1. AT THE EUROPEAN COUNCIL PRESIDENT MITTERRAND'S SIGHTS ARE LIKELY TO BE SET PRINCIPALLY ON THE PREPARATIONS FOR THE VERSAILLES SUMMIT. THE COUNCIL WILL BE AN IMPORTANT STEP ON THE WAY TO HIS OBJECTIVES AT VERSAILLES.

2. MITTERRAND'S PRIME AIM AT VERSAILLES, WHERE FRANCE WILL OCCUPY FOR A MOMENT THE CENTRE OF THE WORLD STAGE, WILL BE TO ENSURE THAT THE SUMMIT IS SEEN TO BE A SUCCESS. HE WILL HOPE TO SECURE RESOUNDING STATEMENTS ON THE WORLD ECONOMY, EMPLOYMENT AND SOCIAL POLICIES WHICH CAN BE PRESENTED INTERNATIONALLY AS A MAJOR STEP FORWARD IN DEALING WITH GLOBAL ECONOMIC PROBLEMS, AND DOMESTICALLY AS BENEFICIAL TO FRANCE. DISCUSSIONS WITH OFFICIALS IN THE ELYSEE AND ELSEWHERE INDICATE THAT MITTERRAND IS NO LONGER KEEN TO GET OUT IN FRONT IN ATTACKING US AND JAPANESE POLICIES AT VERSAILLES, AND WILL CERTAINLY NOT WANT TO IMPAIR HIS IMAGE AS A WORLD STATESMAN.

3. THE OUTCOME OF THE MANDATE DISCUSSIONS AT THIS WEEK'S FOREIGN AFFAIRS COUNCIL WILL SUIT MITTERRAND TO THE EXTENT THAT IT HELPS TO CLEAR THE WAY FOR PROLONGED DISCUSSIONS OF ISSUES TO BE RAISED AT VERSAILLES. THE PRINCIPAL NEGOTIATIONS ON THE MANDATE AND AGRICULTURAL PRICE-FIXING WILL TAKE PLACE AFTER THE EUROPEAN

*Prime Minister*  
WED *25/3 67*

*PS*  
*PS/UPS*

*M' Bolland*

*M<sup>r</sup> Goodson*

IMMEDIATE

*NO 10*

*RC [STANDARD]*

TO CLEAR THE WAY FOR PROLONGED DISCUSSIONS OF ISSUES TO BE RAISED AT VERSAILLES. THE PRINCIPAL NEGOTIATIONS ON THE MANDATE AND AGRICULTURAL PRICE-FIXING WILL TAKE PLACE AFTER THE EUROPEAN SUMMIT. MITTERRAND CAN COMFORTABLY MAKE FIRM STATEMENTS ON BOTH ISSUES FOR THE RECORD, LEAVING MME CRESSON AND CHEYSSON TO TAKE RESPONSIBILITY FOR ANY SUBSEQUENT CONCESSIONS WHICH WILL NEED TO BE MADE IF AGREEMENT IS TO BE REACHED. MITTERRAND'S STATEMENT ON AGRICULTURE MAY WELL INCLUDE A THREAT TO PROCEED WITH NATIONAL AIDS TO FARMERS IF THE PRICE-FIXING IS NOT CONCLUDED BY, OR SHORTLY AFTER 1 APRIL. MAUROY'S VISIT TO BONN TODAY SEEMS MAINLY DESIGNED TO TRY TO COORDINATE FRENCH AND GERMAN POSITIONS ON THE MANDATE AND PRICE-FIXING BEFORE THE EUROPEAN COUNCIL.

4. IN THE DISCUSSION ON THE ECONOMIC AND SOCIAL SITUATION, MITTERRAND'S CONTRIBUTIONS ARE LIKELY TO BE AFFECTED BY THE SEVERE PRESSURE WHICH THE FRANC HAS BEEN UNDERGOING (MY TEL NO 277). HE WILL HOPE TO SEE SOME ACCOUNT TAKEN OF FRENCH IDEAS ON A "RELANCE EUROPEENNE", AND ON THE PRIORITY TO BE GIVEN TO EMPLOYMENT AND SOCIAL QUESTIONS. HE MAY WISH TO EXPLORE THE OPPORTUNITIES FOR EASING THE EXCHANGE RATE PRESSURE ON FRANCE. ON THE OTHER HAND MANY GOVERNMENTS WILL REGARD THE TURBULENCE SURROUNDING THE FRANC AS EVIDENCE OF THE CONTINUING NEED FOR STRICT CONTROL OVER BUDGET EXPENDITURE AND THE INFLATION RATE AND FOR COUNTRIES WITH CURRENCIES UNDER STRAIN TO TAKE FIRM MEASURES THEMSELVES TO RESTORE CONFIDENCE IN THEIR ECONOMIES. FACED WITH DOUBTS ABOUT FRENCH POLICY ON THIS SCORE MITTERRAND WILL BE KEEN TO ENSURE THAT THE PRESIDENCY CONCLUSIONS CONTAIN SOME PHRASING WHICH COULD BE INTERPRETED AS AN ENDORSEMENT, HOW EVER QUALIFIED, OF FRANCE'S OWN APPROACH, THUS AVOIDING ANY IMPRESSION THAT HE WAS PUT IN THE DOCK. THIS REQUIREMENT COULD LEAD TO SOME TOUGH NEGOTIATIONS IN THE DRAFTING GROUPS, IF NOT AT THE COUNCIL ITSELF.

5. ON FOREIGN AFFAIRS, MITTERRAND WILL PROBABLY SEEK SOME FORM OF ENDORSEMENT, IN ANY FINAL DECLARATION, OF FRENCH ACTIVITIES IN THE MIDDLE EAST. HE MAY MAKE A FURTHER APPEAL FOR COMMUNITY AID TO ALL THE NEEDY COUNTRIES IN THE CARIBBEAN AREA, BUT AS A RESULT OF HIS LATEST VISIT TO WASHINGTON, HE COULD BE LESS INCLINED TO PUSH THE COUNCIL TOWARDS A POLITICAL ANALYSIS VERY FAR REMOVED FROM THAT OF THE UNITED STATES. DESPITE A MUFFLED RESPONSE TO THE RECENT BREZHNEV MORATORIUM PROPOSAL, HE WOULD BE NO DOUBT READY TO SUBSCRIBE TO FIRM LANGUAGE ABOUT THE SOVIET UNION. HE WILL NEVERTHELESS ARGUE FOR A LONG-TERM ASSESSMENT OF WHAT WESTERN RELATIONS WITH THE USSR SHOULD BE RATHER THAN ANYTHING WHICH WOULD LOOK LIKE SHORT-TERM PUNITIVE MEASURES.

ANYTHING WHICH WOULD LOOK LIKE SHORT-TERM PUNITIVE MEASURES.

6. MITTERRAND HAS NOT, AT PREVIOUS EUROPEAN COUNCILS, ADOPTED HIS PREDECESSOR'S HABIT OF PULLING RABBITS OUT OF THE HAT, AND I HAVE NO REASON TO BELIEVE THAT HE HAS ANY GRAND INITIATIVES IN MIND THIS TIME.

FCO PLEASE PASS SAVING TO UKDEL STRASBOURG.

FRETWELL

NNNN

SENT AT 251822Z GDS/DAB

TIC FOR TAPE

RR BONN

*Prime Minister*

*WR  
25/3*

RR BRUSSELS

RR COPENHAGEN

RR DUBLIN

RR THE HAGUE

RR LUXEMBOURG

RR ROME

RR UKREP BRUSSELS

RR ATHENS

*WED*

*PS*

*6+*

*PS/LPS*

*Mr Bullard*

*Mr Goodson*

*No 10.*

*RL (STANARDS)*

**IMMEDIATE**

~~ADVANCE COPY~~

GRS 420

CONFIDENTIAL

FM PARIS 251530Z MAR 82

TO IMMEDIATE FCO

TELEGRAM NUMBER 280 OF 25 MARCH 1982

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INFO SAVING UKDEL STRASBOURG, CONSULS GENERAL FRANCE.

EUROPEAN COUNCIL: PRESIDENT MITTERRAND'S FRANCE

1. PRESIDENT MITTERRAND WILL COME TO THE EUROPEAN COUNCIL SHORTLY AFTER THE FRENCH LEFT'S SETBACK IN THE RECENT CANTONAL (EQUIVALENT OF COUNTY COUNCIL) ELECTIONS. BUT HE STILL HAS AT HIS COMMAND A LARGE ABSOLUTE MAJORITY IN THE NATIONAL ASSEMBLY AND HIS ABILITY TO GOVERN, AS THE OPPOSITION ITSELF RECOGNISES, REMAINS UNIMPAIRED.

2. THE FRENCH GOVERNMENT'S MAIN PREOCCUPATION REMAINS THE STIMULATION OF DOMESTIC ECONOMIC RECOVERY. IN RECENT DAYS THIS HAS BECOME CLOSELY LINKED WITH THE STRUGGLE TO DEFEND THE FRENCH FRANC (MY TEL NOS 259 AND 277). THE EFFECT MAY BE TO STRENGTHEN THE HAND OF MINISTERS WITHIN THE FRENCH GOVERNMENT WHO ARE ARGUING FOR GREATER FISCAL AND MONETARY RESTRAINT AND THAT THE PACE OF THE GOVERNMENT'S REFORM PROGRAMME SHOULD TAKE MORE ACCOUNT OF THE NEED TO PRESERVE FOREIGN AND DOMESTIC BUSINESS CONFIDENCE.

3. THE ELECTORAL SETBACK IS UNLIKELY TO HAVE SHAKEN MITTERRAND'S BELIEF IN THE RIGHTNESS OF HIS PROGRAMME. IT MAY HOWEVER FORCE HIM TO MAKE SOME CHANGES IN HIS STYLE OF LEADERSHIP. HE CAME TO THE ELYSEE WITH THE PROCLAIMED INTENTION OF LETTING THE GOVERNMENT GOVERN WHILE HE CONCERNED HIMSELF WITH THE DEFINITION OF THE BROAD LINES OF POLICY. THIS HAS ENABLED HIM SINCE HIS ELECTION TO REMAIN ALOOF FROM MUCH OF THE HURLY-BURLY OF PARTISAN POLITICS. BUT IT HAS ALSO CONTRIBUTED TO THE GOVERNMENT'S APPARENT LACK OF DIRECTION. MINISTERS HAVE RATHER TOO FREQUENTLY SPOKEN WITH DISCORDANT VOICES. JUST AS HIS PREDECESSORS UNDER THE FIFTH REPUBLIC FOUND THEMSELVES PROGRESSIVELY DRAWN INTO EVERYDAY DECISION-MAKING, SO MITTERRAND MAY FIND THAT ONLY BY INTERVENING MORE REGULARLY IN THE EARLY STAGES OF POLICY FORMATION CAN HE INCREASE THE COHERENCE OF THE GOVERNMENT'S POLICIES. IN DUE COURSE HE MAY RE-SHUFFLE SOME OF HIS MINISTERS, BUT PROBABLY NOT SO IMMEDIATELY AS TO MAKE IT APPEAR AN ADMISSION OF FAILURE.

4. MITTERRAND'S DOMESTIC POLITICAL PREOCCUPATIONS ARE UNLIKELY TO MAKE MUCH DIFFERENCE TO HIS GENERAL APPROACH TO THE EUROPEAN COUNCIL. HE CAN BE EXPECTED TO ADOPT HIS CUSTOMARY ELLIPTIC AND SOMEWHAT PHILOSOPHICAL ATTITUDE IN THE DISCUSSIONS, REMAINING AS FAR AS POSSIBLE ON THE LEVEL OF BROAD GENERALITIES. HE WILL NEVERTHELESS HAVE SOME CLEAR OBJECTIVES, ON WHICH SEE MIFT.

FCO PLEASE PASS SAVING TO UKDEL STRASBOURG.

FRETWELL

NNNN

SENT AT 251814Z GDS/DQB