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PS/PUS
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MR HANNAY
LORD BRIDGES

RESIDENT CLERK

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HD/NEWS
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HD/.....

PLUS FCO

CABINET OFFICE

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MR D M ELLIOTT
MR A M GOODENOUGH
MR. S. WENTWORTH

D.O.T.

MR R GRAY
MR R H S WELLS WEG

PLUS OGDS

No 10 DST

H M TREASURY

SIR K COUZENS
MR ASHPORD

M A F F

SIR B HAYES

RR ROME

RR DUBLIN

RR BONN

GRS 38¢

UNCLASSIFIED

FRAME GENERAL

FM PARIS 211605Z MAY 82

TO IMMEDIATE FCO

TELEGRAM NUMBER 532 OF 21 MAY 1982

INFO IMMEDIATE UKREP BRUSSELS

INFO ROUTINE ATHENS BRUSSELS COPENHAGEN THE HAGUE LUXEMBOURG ROME

DUBLIN BONN

30 MAY HANDATE

IMMEDIATE
ADVANCE COPY

1. CHEYSSON, SPEAKING IN NIAMEY WHERE HE IS ACCOMPANYING MITTERRAND ON A STATE VISIT TO NIGER, APPEARS TO BE CONTINUING MITTERRAND'S TACTIC OF BROADENING THE DISPUTE. WHILE IN NIAMEY CHEYSSON ANNOUNCED THAT HE WOULD RETURN TO ATTEND THE FOREIGN AFFAIRS COUNCIL

ANNOUNCED THAT HE WOULD RETURN TO ATTEND THE FOREIGN AFFAIRS COUNCIL NEXT MONDAY.

2. ACCORDING TO THE FRENCH PRESS, CHEYSSON SAID THAT FRANCE WAS READY TO DISCUSS ANY ADJUSTMENTS TO THE TREATY OF ROME FOR BRITAIN. CHEYSSON CLAIMED THAT IT WAS HE WHO SUGGESTED TO MITTERRAND THAT HE SHOULD INCLUDE A REFERENCE TO THE NATURE OF BRITAIN'S PRESENCE IN THE COMMUNITY IN HIS ALGER'S STATEMENT (MY TEL NO 526). HE DECLARED HIMSELF FULL OF IDEAS ABOUT THE FORM WHICH THESE SPECIAL ARRANGEMENTS MIGHT TAKE, AND REFERRED IN HIS DISCUSSION TO THE DIFFERENT FINANCIAL ARRANGEMENTS APPLICABLE WITHIN THE ECSC AND BRITAIN'S POSITION IN THE EMS. BRITAIN NEEDED A LARGE MARKET, HE SAID, SO THAT IT WOULD BE DIFFICULT FOR HER TO ENVISAGE WITHDRAWING FROM THE COMMUNITY. HE THOUGHT THAT THE PRESENT DISPUTE BETWEEN BRITAIN AND HER PARTNERS WAS LIKELY TO BE BROUGHT BEFORE THE EUROPEAN COURT EITHER BY BRITAIN, THE COMMISSION, THE COUNCIL OF MINISTERS OR ONE OF THE MEMBER STATES.

3. MEANWHILE THE FRENCH PRESS CONTINUES TO REPORT THE PRIME MINISTER'S MEASURED REPOSE TO THE OUTCOME OF THE AGRICULTURE COUNCIL AND TO STRESS THE IMPORTANCE OF THE FOREIGN AFFAIRS COUNCIL ON MONDAY. PRESS REPORTING IS STILL CENTRED ON THE THEME THAT BRITAIN MUST MAKE A CHOICE BETWEEN STAYING IN THE COMMUNITY OR GETTING OUT. EXPRESSIONS OF GENERAL SUPPORT FOR MITTERRAND'S STAND ARE QUOTED FROM ALL PARTS OF THE POLITICAL SPECTRUM, THOUGH THE GAULLISTS CONTINUE TO EXPRESS ANXIETY ABOUT THE CONSEQUENCES FOR FRANCE OF THE BREACH OF THE LUXEMBOURG COMPROMISE.

4. IN THIS AFTERNOON'S LE MONDE MAURICE DELARUE, USUALLY WELL BRIEFED BY THE QUAI D'ORSAY, SPECULATES ON WHAT CHEYSSON'S IDEAS FOR SPECIAL ARRANGEMENTS FOR THE UK MIGHT BE. RECALLING GISCARD'S ALLEGED IDEAS IN 1979 FOR "ASSOCIATION - PARTICIPATION" HE WRITES, "ECONOMICALLY BRITAIN WOULD BE ASSOCIATED WITH, BUT NOT INTEGRATED IN, THE COMMUNITY. SOME PREFERENCE WOULD OPERATE BETWEEN BRITAIN AND THE EC BUT THERE WOULD NOT BE COMPLETE FREE TRADE. POLITICALLY, BRITAIN WOULD COOPERATE WITH THE OTHER STATES OF THE COMMUNITY AS SHE DOES TODAY. THERE IS EVERY REASON TO BELIEVE THAT IT IS A FORMULA OF THIS KIND, WHICH MAY BE SUBJECT TO A NUMBER OF VARIANTS, THAT CHEYSSON HAS IN MIND."

FRETWELL