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Qz.04569

MR. POWELL

VISIT OF MONSIEUR FABIUS, 1 AUGUST

You sent me a copy of your letter of 16 July to Len Appleyard. Briefing on specific points is being sent forward by the Foreign and Commonwealth Office, together with the Foreign and Commonwealth Secretary's advice on the present situation in relation to the intergovernmental conference.

2. We have had an opportunity in the margins of the Foreign Affairs Council this week to discover as far as possible the intentions of other member states and, in particular, of the French. This indicates that once again the French are on a two track approach:-

(i) it is clearly a major preoccupation of the French Government that German aspirations should be settled by the intergovernmental conference. Beyond this, however, the French are themselves concerned to see some improvement in decision making within the Community and to extend cooperation - but without conceding exclusive competence to the Community - in certain fields such as technology and some cultural activities.? If, therefore, the package resulting from the intergovernmental conference does make some movement on these points and is gift-wrapped in a form acceptable to the Federal Republic of Germany, Italy and the Benelux, the French would almost certainly prefer to have United Kingdom participation and agreement. Since, in significant matters affecting sovereignty, the French are as protective of their own position as we are, there does exist some common interest between France and the United Kingdom which - with some caution on our part - can be exploited in the intergovernmental conference. Despite our dissatisfaction with some French tactics in the recent past, I think it probable that these areas of common interest will become more apparent during the autumn;

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/(ii)

Prime Minister

Ray seem to be
worried that you
will say "never" to
Treaty amendment!

CDP
27/7.

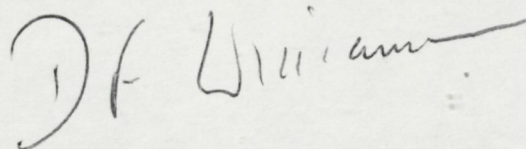
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(ii) if the French judge over the next few months that the United Kingdom is definitely not going to subscribe to any package resulting from the conference, there is no doubt in my mind that they will switch ruthlessly to their second track policy of putting the United Kingdom in the offside trap. In these circumstances they will continue to go for a moderate result on essential matters for themselves but they will bid up the Treaty amendments, knowing that such amendments cannot take place without unanimity. Thus they will be able to assert to French and other continental opinion that France (but not Britain) is prepared to go far.

3. Since our interest does lie in shaping the future direction of the Community, which can only be achieved by the (uphill) road of a partnership with France and Germany, it is important that France should not go for a package in the intergovernmental conference which we cannot accept. The best chance of avoiding this is not to commit ourselves at this stage, before the conference has opened, to the judgement which we might make at the end. This applies in particular to the proposals which may come forward for amendment of the Treaty - the Treaty has been (or is being) amended for five accessions and on four other occasions - because the need for unanimity would allow the French to overbid and shelter behind the United Kingdom if they were convinced that we were going to reject all these proposals.

4. I am sending a copy to Sir Robert Armstrong.



D F WILLIAMSON

25 July 1985

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