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FRENCH VIEWS ON THE EUROPEAN COUNCIL

SUMMARY

1. MME GUIGOU (MINISTER FOR EUROPEAN AFFAIRS) OUTLINES FRENCH APPROACH TO THE FORTHCOMING EUROPEAN COUNCIL. SHE ALSO DESCRIBES A POSSIBLE PACKAGE ON SITES OF THE INSTITUTIONS.

DETAIL

2. WHEN JAY (AUS) CALLED ON MME GUIGOU IN THE COURSE OF A DAY-LONG MEETING WITH DE BOISSIEU (REPORTED SEPARATELY, NOT TO ALL), SHE SAID THAT SHE WAS LOOKING FORWARD TO SEEING MR GAREL-JONES ON 22 NOVEMBER. IT WAS IMPORTANT THAT THE UK AND FRANCE SHOULD REMAIN IN THE CLOSEST TOUCH IN ORDER TO AVOID MISUNDERSTANDINGS AND WHEREVER POSSIBLE REACH AGREEMENT AT AN IMPORTANT MOMENT IN THE COMMUNITY'S DEVELOPMENT.

3. MME GUIGOU THOUGHT THAT THE PRINCIPAL THEMES OF THE SPECIAL EUROPEAN COUNCIL WOULD BE EPU, EMU, THE GULF, SITES OF THE INSTITUTIONS AND POSSIBLY RELATIONS WITH THE SOVIET UNION (ALTHOUGH THE LAST MIGHT NOT BE RIPE FOR DISCUSSION GIVEN UNCERTAINTY ABOUT SOVIET DECISION-MAKING). JAY SAID THAT ALL THESE ITEMS WOULD NEED TO FEATURE ON THE AGENDA, BUT IT WAS IMPORTANT THAT THE COUNCIL CONCENTRATE AND BE SEEN TO CONCENTRATE ON THE MAJOR POLITICAL ISSUES OF THE DAY - SUCH AS THE GULF AND THE SOVIET UNION - AND NOT TO APPEAR BOGGED DOWN IN INTERNAL ISSUES SUCH AS THE IGCS. AS REPORTED SEPARATELY (MY TELNO 1248) HE ALSO STRESSED THE IMPORTANCE OF THE EUROPEAN COUNCIL REINFORCING THE COMMUNITY'S COMMITMENT TO A SUCCESSFUL OUTCOME TO THE GATT URUGUAY ROUND.

4. ON SITES OF THE INSTITUTIONS, MME GUIGOU OUTLINES A PACKAGE CURRENTLY BEING PROPOSED BY THE PRESIDENCY: THIS WAS EXPANDED UPON LATER BY DE BOISSIEU. IT INVOLVED: - TRANSFER OF PART OF THE EP SECRETARIAT TO STRASBOURG:

- A GUARANTEE OF TWELVE REGULAR PLENARIES THERE EACH YEAR
- TRADEMARK OFFICE TO MADRID
- ENVIRONMENTAL AGENCY TO DENMARK

- EUROFED TO LUXEMBOURG
- TRAINING AGENCY TO BERLIN
- MEDICAL AGENCY TO NETHERLANDS

5. MME GUIGOU SAID THAT THE FRENCH HAD MADE IT CRYSTAL CLEAR TO THE ITALIANS THAT THEIR PRIMARY REQUIREMENT WAS THE CONVERSION TO A FORMAL STATUS OF THE EXISTING PRACTICE WHEREBY ALL (REPEAT ALL) EC PLENARIES WERE HELD IN STRASBOURG. THEY WERE NOT (NOT) SEEKING TRANSFER OF THE SECRETARIAT FROM LUXEMBOURG, SO THE QUESTION OF COMPENSATING THE LUXEMBOURGOIS WITH EUROFED (THE CREATION OF WHICH HAD IN ANY CASE NOT YET BEEN AGREED) DID NOT ARISE. (COMMENT : THE IMPLICATION IS THAT THE FRENCH WILL THEMSELVES BID FOR EUROFED IF IT IS ESTABLISHED). ON OTHER ELEMENTS OF THE PACKAGE, FRANCE WAS IN FAVOUR OF THE MAXIMUM DIFFUSION OF INSTITUTIONS THROUGHOUT THE COMMUNITY.

6. BOTH MME GUIGOU AND DE BOISSIEU SOUGHT UK SUPPORT FOR THE FRENCH POSITION. JAY REPLIED THAT OUR MAIN CONCERNS WERE TO GET THINGS MOVING. WE WOULD LOOK CAREFULLY AT ANDREOTTI'S PROPOSALS. WE SAW ADVANTAGE IN LIMITING A PACKAGE TO THOSE INSTITUTIONS ALREADY AGREED IN PRINCIPLE. MME GUIGOU COMMENTED THAT ANDREOTTI WAS NOT ALWAYS A RELIABLE INTERLOCUTOR AND HAD MISREPRESENTED THE GERMAN POSITION IN RECENT DISCUSSIONS WITH THE FRENCH OVER EUROFED.

7. ON EPU, MME GUIGOU NOTED JAY'S THESIS THAT THINGS MIGHT BE INSUFFICIENTLY DEVELOPED TO ALLOW DETAILED DISCUSSION AT THE EUROPEAN COUNCIL. NEVERTHELESS, SHE FELT THAT HEADS OF GOVERNMENT COULD GIVE A USEFUL TOP-LEVEL POLITICAL ORIENTATION TO THE WORK OF THE SPECIAL REPRESENTATIVES, WHICH SHE THOUGHT WAS GOING WELL.

8. ON EMU, MME GUIGOU EMPHASISED FRENCH HOPES OF GOING AHEAD WITH ALL TWELVE MEMBER STATES (IMPLICATION : THAT IS NOT THE ONLY POSSIBILITY). BUT FRANCE WAS ALSO CLEAR ON THE FINAL OBJECTIVE OF THE SINGLE CURRENCY ETC. THE FRENCH WERE LOOKING VERY CLOSELY AT OUR HARD ECU PROPOSAL, WHICH THEY THOUGHT MIGHT HELP TO ACHIEVE THE STRENGTHENING OF THE ECU NEEDED TO REACH FULL EMU. SHE WELCOMED OUR POSITIVE CONTRIBUTION TO THE DEBATE AND OUR MEMBERSHIP OF ERM, WHICH SHOULD HELP THE DISCUSSIONS ON THE WAY FORWARD. JAY EMPHASISED THAT THE DECISION TO JOIN ERM HAD BEEN TAKEN FOR TECHNICAL REASONS, BUT THAT OUR ENTRY WAS ALSO A SIGN OF THE UK'S COMMITMENT TO STAGE 1 AND TO FULL PARTICIPATION IN THE DEBATE.