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RECORD OF A MEETING BETWEEN THE PRIME MINISTER AND PRESIDENT  
MITTERRAND ON THE OCCASION OF THE ANGLO-FRENCH SUMMIT AT  
10 DOWNING STREET ON MONDAY 18 NOVEMBER 1985 AT 0900 HOURS

Prime Minister  
Mr Charles Powell

President Mitterrand  
M. Vedrine

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CHANNEL FIXED LINK

The Prime Minister said that the Channel Fixed Link was one of the few really exciting projects in the public domain. She was glad to hear that the demanding timetable for presentation and assessment of proposals was being met. A draft statement which she and the President might issue had been agreed between the Transport Ministers. Agreement in principle had also been reached on lorry quotas. She was content with both texts.

President Mitterrand confirmed that France too was eager to see the Channel Fixed Link built. He had no preference to express between the various projects which had been submitted. The important thing was to stick to the deadline and to avoid any delay. The Prime Minister said that she understood that President Mitterrand's preference would be for the two of them to meet towards the end of January to announce a decision on which project had been selected. She would be happy to go to Paris for this purpose. President Mitterrand suggested that, as well as a solemn ceremony in Paris, he and the Prime Minister might also make a joint visit to Calais. This would give more symbolism to the agreement. The Prime Minister said that she would be happy to leave it to President Mitterrand to suggest a time and place for their meeting.

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The Prime Minister said that she and the President would subsequently need to meet again to sign the Treaty on the Channel Fixed Link. She wondered whether, to avoid too much travelling, they might do this at the European Council in the The Hague in March. President Mitterrand appeared rather surprised at the idea of a link with the European Council. It was left that the matter would be discussed further.

#### CHINA

Conversation moved by a rather circuitous route to the subject of China. The Prime Minister observed that the Chinese were more flexible about changing the Communist system than the Soviet Union. President Mitterrand agreed. A new class of rich peasants were emerging. The Prime Minister hoped that the relatively more liberal system in China would outlast Deng Xiaoping. President Mitterrand thought the changes which had taken place were irreversible. The Prime Minister commented that this pointed to continuing differences between China and the Soviet Union which was a comfort. President Mitterrand once more agreed. The West should not do anything to create the conditions for a reconciliation.

#### EAST-WEST RELATIONS

The Prime Minister invited President Mitterrand to give an account of his meetings with Mr Gorbachev in Paris.

President Mitterrand said that Gorbachev's visit had passed very easily. Gorbachev had two main preoccupations. The first was to correct the public image of the Soviet Union. He was the first Soviet leader since Lenin to understand that his country had bad press internationally and to ask himself why. He did not want to change the Soviet Union, only its image. His second preoccupation was with the

United States' Strategic Defence Initiative. Gorbachev knew that his most important task was to increase living standards in the Soviet Union. To achieve this he had to bring about a reduction in defence spending or at least avoid an increase. If the United States went ahead with the SDI, he would be forced to follow suit. Gorbachev had been keen to discuss this problem in Paris because he knew that France also had reservations about strategic defence. He had sought to pin France down to a communique setting out a common position. This was impossible to accept. Although France shared reservations about the SDI, it would never say so jointly with the Soviet Union. "I know where my allegiance lies". The dominant impression which remained from Gorbachev's visit was of his determination to show an agreeable face to Europe. President Mitterrand concluded that he understood that Gorbachev had subsequently written to the Prime Minister.

The Prime Minister agreed that Gorbachev's aim was to try to separate Europe from the United States. The SDI was a very sensitive point for the Soviet Union, since they saw it as threatening their equality with the United States. She had replied to Gorbachev's recent letter making clear that there was no scope at present for negotiations about the United Kingdom's nuclear deterrent. She found it hard to define what his real expectations from the forthcoming meeting with President Reagan were. Her impression was that he was someone who was difficult to win over by argument, but good at using argument to win over others. There seemed to her three possible outcomes at Geneva: a limited success, but this was unlikely in view of Gorbachev's recent speeches; a failure, which Gorbachev could present to his colleagues in the Soviet Union as successfully refusing to give away anything to the United States; and agreement to continue a dialogue, which would give Gorbachev scope to carry on his efforts to influence public opinion in the West against the SDI. There would be no concrete progress but the debate



would be prolonged. On the whole, she thought the last scenario the most likely.

President Mitterrand said that he agreed with the Prime Minister's analysis. He thought that President Reagan would refuse to abandon the SDI, while Gorbachev would make clear that he was not prepared for serious negotiations on reductions in nuclear weapons unless strict limits were placed on the SDI. The two positions were irreconcilable and he did not expect any early solution. However, it was possible to envisage in the rather longer term an agreement on certain levels of weapons in space on the lines of the ABM Treaty. The Prime Minister thought that President Reagan would not be ready to set any limits at this stage. She had urged him to reaffirm the ABM Treaty and consider extending the period of notice for terminating it.

President Reagan understood the need to give Gorbachev some success to take home from Geneva. But Gorbachev had not left himself much room for manoeuvre. She came back to the conclusion that the meeting would be presented by both sides as a limited success with some modest bilateral agreements and a commitment to go on talking. That would in fact be an advance and should be welcomed as such in any public reaction. She hoped that at their joint press conference she and President Mitterrand might take the line that as loyal members of the Alliance they hoped the talks in Geneva would succeed in giving an impetus to the negotiations on reducing nuclear weapons and would start a dialogue.

President Mitterrand asked what the Prime Minister made of the Weinberger letter urging the President to avoid any new arms control agreement or extension of existing agreements. The Prime Minister said that she had been astounded by it. She thought that she detected the hand of Mr Perle.

President Mitterrand said that uncertainty about the President's intentions seemed to be quite widespread. He had been struck during a recent talk with Dr Kissinger by

the latter's evident worry that President Reagan might accept limits on the Strategic Defence Initiative or postpone the development of it. The Prime Minister doubted whether President Reagan would do so. The strong impression she had received from the meeting which she and some other Western leaders had attended with him in New York recently was that development of strategic defence would go ahead. The President wanted to leave the Soviet Union in no doubt that the United States would do whatever was necessary to insure against attack. President Mitterrand said that he believed that space defence systems would eventually be developed. But France was in no hurry to see them introduced. Even a system to defend US missile silos might take 30 to 40 years to develop. In the meantime our defence would continue to rest on the nuclear balance. The Prime Minister made clear that she supported President Reagan's decision to carry forward research into the SDI. President Mitterrand said that he too supported President Reagan but did not wish to encourage him.

President Mitterrand said that he had noted two points of particular interest during his discussions with Gorbachev. The first was a softening in the Soviet attitude towards Israel. The second was some flexibility on Afghanistan. He had told Gorbachev that Soviet policy on Afghanistan was a disaster. Hitherto the Soviet Union had always been careful to keep in the good books of the Third World and of the Arabs. They had lost enormously by their involvement in Afghanistan. They controlled the country anyway. There had to be a negotiated solution leading to some form of neutrality. Gorbachev had commented that if the UN Secretary General were to take a new initiative, he would not oppose it.

The Prime Minister said that both points were interesting. She pointed out that Perez de Cuellar had already taken an initiative on Afghanistan. Certainly the idea of neutrality

had been around for several years. President Mitterrand said that the situation was different now. He had written to President Reagan urging him to follow up Gorbachev's signal.

At this point Foreign Ministers joined the meeting.

**EUROPEAN COMMUNITY**

The Prime Minister said that she had not been following developments over the Intergovernmental Conference very closely and was not aware of President Mitterrand's precise views. She did know that a great many proposals had been made, most of them not very realistic. Her intention was to wait and see what was on the table at Luxembourg before reaching any conclusions. It would help her to know what the French position was.

President Mitterrand said that he hoped to avoid a confrontation similar to that at the Milan European Council. France had put forward some ideas for Milan. But Milan had failed. The tide of discussion there had swept apart those who wanted to reform the Treaty and those who were more interested in improving procedures. The task now was to find a middle way. He did not want Luxembourg to fail too. Nor did he want what could perfectly well be decided at Luxembourg to be postponed for a further three months. President Mitterrand continued that what the Prime Minister had proposed at Milan was reasonable, but not sufficient. He was not himself a maximalist. He could go further than the British proposals, but would settle for the best that could be achieved.

The Prime Minister said that it was characteristic of the European Community to refuse to face up to real problems like reform of the Common Agricultural Policy and retreat into fiddling with the institutions. This was a sign of



weakness, and in contrast to the period of the French Presidency when real progress had been made. She understood that British and French officials had reached provisional conclusions about the possible outcome of the Intergovernmental Conference. But she was not clear whether the views of French officials had the President's backing. This was why she was waiting to see where the ball landed in Luxembourg. President Mitterrand said that one had to anticipate the ball. The Prime Minister replied that her natural inclination was to whack it back hard across the net.

President Mitterrand said that France was quite keen on the Commission's proposals on the procedures and functioning of the Community, though some reservations about their ideas on the role of the Parliament. He thought the proposals formed the basis for an acceptable conclusion in Luxembourg. France was in step with Germany, though the latter was keen to go further in most areas while blocking advance towards monetary union. He would sum up by saying that the French position was constructive and he did not want to postpone decisions until the next European Council in March.

The Prime Minister said that, like the Germans, we did not see any need to amend the monetary provisions of the Treaty, or to give the Commission extra powers on taxation and monetary matters. President Mitterrand said he noted the German and UK position on this. He agreed that taxation was a very delicate matter.

The Prime Minister continued that her understanding was that French and British officials agreed that if there were new Articles in the Treaty on the environment and technology, there would be unanimity on all important matters; that "cohesion" would not mean transfer of additional resources to the South; that there would be no change in the institutional balance between the Assembly and the Council

of Ministers or any other arrangement to slow down decision-taking; that there would be no general delegation of powers to the Commission; that there would be only a very limited shift towards qualified majority voting under Articles 57 and 100 for the removal of direct obstacles to the free movement of goods, persons and services; and there should be a political co-operation agreement of the kind which could have been signed at Milan. President Mitterrand said that he did not know exactly the positions taken by French officials. He did not recognise all the points which the Prime Minister had listed.

M. Dumas said that he understood officials from both sides agreed on: a single preamble; new Articles on the environment and technology; and the Presidency proposals on the Parliament, leaving the last word with the Council of Ministers. He also had the impression that British officials were not shocked by the idea of a text on EMS. The Prime Minister said that she was very wary of putting EMS in the Treaty and so was Germany. M. Dumas thought the German position had recently moved closer to that of France. The Prime Minister conceded that German views tended to change from meeting to meeting. M. Dumas continued that some divergence of view remained on the internal market where work remained to be done. France could not support complete de-regulation but wanted to take account of the social dimension. Sir Geoffrey Howe suggested the conclusion that French and British officials should continue to work closely together in the period up to the Luxembourg Summit in order to avoid another failure or unpleasant surprises. The Prime Minister said that she was ready for decisions at Luxembourg if only to get rid of the Intergovernmental Conference, but it sounded to her as though some of the difficulties which had been mentioned might take longer to solve. It was much more important to get down to the real problems of tackling agricultural surpluses.



The Prime Minister reported subsequently that President Mitterrand had said to her on departure: "I wish you all success at Luxembourg".

#### COMMUNITY SHIPPING POLICY

The Prime Minister mentioned her disappointment at France's failure to join the United Kingdom, Netherlands and Federal Republic in opening up coastal trades. It was important to get agreement in the Community on this before the end of the year. Otherwise the arrival of Spain and Portugal would set back the prospects of progress. President Mitterrand was evidently unfamiliar with the issue.

#### FALKLANDS

The Prime Minister raised this with President Mitterrand over lunch, making clear our strong hope that France would not support the Argentinian draft resolution. President Mitterrand said that the Argentinian draft did not mention discussions on the question of sovereignty. He certainly would not support any resolution which referred to sovereignty. The Prime Minister said that, while the word sovereignty was not used explicitly, there was a coded reference to it. There had been no change in the substance of the Argentinian position. President Mitterrand noted the Prime Minister's strong views.