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SUBJECT CC MASTER

10 DOWNING STREET

LONDON SW1A 2AA

From the Private Secretary

26 November 1986

Dear Colin,

ANGLO/FRENCH SUMMIT

I enclose a record of the plenary session of the Anglo/French Summit in Paris on 21 November. I am grateful to members of the Embassy for compiling this.

I am copying this letter and enclosure to the Private Secretaries to the Chancellor of the Exchequer, the Home Secretary, the Defence Secretary, the Minister of Agriculture, the Secretary of State for Trade and Industry, the Paymaster-General, the Secretary of State for Transport and Sir Robert Armstrong.

Yours sincerely,

(Charles Powell)

C.R. Budd, Esq.,
Foreign and Commonwealth Office.

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ANGLO-FRENCH SUMMIT, 21 NOVEMBER 1986

Plenary meeting, Elysee Palace, at 3.05 p.m.

Those present:

The Prime Minister	M. Francois Mitterrand President of the French Republic
Secretary of State for Foreign and Commonwealth Affairs	M. Jacques Chirac Prime Minister
Secretary of State for Defence	M. Andre Giraud Minister of Defence
Secretary of State for Trade and Industry	M. Jean-Bernard Raimond Minister of Foreign Affairs
Minister for Agriculture, Fisheries and Food	M. Alain Madelin Minister of Industry
HM Ambassador, Paris	M. Francois Guillaume Minister of Agriculture
and officials	M. Michel Noir Minister for Foreign Trade
	and officials

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1. President Mitterrand invited Ministers to report on the meetings with their counterparts.

2. M. Raimond said that Sir Geoffrey Howe had given him an account of the Prime Minister's visit to the United States and they had discussed the Statement agreed at Camp David. He had appreciated that this took account of European concerns, notably of the need to maintain nuclear deterrence. He had agreed with Sir G. Howe that it was good that the US and the Soviet Union had agreed to leave aside third country forces, at least in the first 5 years of reduction in strategic nuclear weapons. He had noted the need for vigilance, since the Russians would ensure that the question would be raised again. He had said that the zero option should not be emphasised, but rather the question of restraints on short-range systems. At Reykjavik the US seemed to propose a freeze on SRINF, which would maintain Soviet superiority. He had explained the French position on achieving a Chemical Weapons (CW) capability and pointed out that the French took a positive attitude to CW disarmament proposals, despite problems on verification. He and Sir G. Howe had discussed the question of a framework to pursue conventional disarmament discussions, where the US favoured an alliance to alliance format, but the French had preferred the CSCE 35. He had said that France believed an agreement could be reached in December, based on a framework of the 35 but with de facto arrangements, and would make all efforts to reach a formula.

3. M. Raimond continued that Sir G. Howe had raised the Middle East and told him that the Prime Minister had spoken to the Americans about the need for evolution in US thinking, based on an international conference from which the Soviet Union would not be excluded and recognition of Palestinian self-determination within a confederation with Jordan. Sir G. Howe had said that Europe had been mute for a long time. Certain Arab leaders had voiced to France their concern about this.

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4. On Syria, M. Raimond said that France did not understand suggestions that there had been some conflict between Britain and France; France had given nearly total support and agreement had been achieved. There was a gap between appearance and reality.
5. On terrorism, Sir G. Howe had spoken of the importance of not negotiating with hostages-takers or doing bargains. M. Raimond had explained France's approach to the hostage problem, how it hoped the hostages' release would follow from normalisation of Franco/Iranian relations, that there was no bargaining, no change of France's Middle East policy and thus no negotiation of the kind which Sir G. Howe excluded.
6. On bilateral issues, the two sides had expressed satisfaction with the agreement on the Channel Fixed Link. He had explained France's hopes that HMG would provide launch aid for the new Airbus models. He had mentioned the 1987 Franco-British Council meeting. On the Falklands he had said that France would vote for the Argentine resolution but that it would support amendments on self-determination if Britain proposed them.
7. Finally M. Raimond said that Sir G. Howe had explained the British approach to the December European Council, with the accent on the Internal Market, and his ideas for political discussions among Heads of State and Government and among Foreign Ministers.
8. M. Bosson added that he had agreed that the problem of the Community budget would pose serious difficulties. There were political objections to posing the issue prematurely but we must deal with it quickly. On research there had been the same approach to Eureka and agreement that Britain, France and the FRG should settle a figure for the research budget. On the Internal Market he had said that France agreed on the package approach whereby everyone made concessions. France would look very closely at the package. On air transport the capacity question was settled but the problem of tariffs

remained. Britain and France could work together to find a solution somewhere between the broad and narrow approaches.

9. Sir G. Howe added that in discussing the European Council he had spoken of the need to give an impetus to the work of the specialist Councils dealing with employment and job creation, the Internal Market and freedom of movement and controls on immigration, drugs and terrorism. He said, that he had emphasised the problems of the Community's living within its currently available financial resources.

10. On East/West and arms control he added that he and M. Raimond had stressed the importance of French and British nuclear systems and reaffirmed their separate conditions for including them in discussions. They had agreed on the importance of conventional disarmament as well as nuclear and CW.

11. Sir G. Howe said that he had urged the French to reconsider their position on the Falklands at UNGA, noting its relevance to New Caledonia. He understood but did not welcome the French position. He had also explained the background to the Falklands Islands Conservation Zone and Britain's preference for multilateral fishing arrangements.

12. M. Giraud, reporting on his meeting with Mr. Younger, spoke from the note at Annex A. On shorter range missiles he added that he had recalled the French thesis that, while NATO SRINF could only reach Eastern Europe and not Soviet territory (with an important loss of deterrent effect), Warsaw Pact missiles could reach all of Western Europe and their effect for us was therefore strategic in its implications, not just confined to the battlefield. The Americans did not always recognise this. He had said that for the time being the zero option should not be reopened, but it could not operate before proper verification systems were in place. He had noted also the difficulty of achieving balance on intermediate forces and short-range forces.

13. Mr. Younger agreed with this report and emphasised British willingness further to develop contacts both at services and technical levels. He said that he and M. Giraud had drawn up a programme of work on both the military and procurement sides and defined some special studies for the months ahead. A further report would be made to the next Summit.

14. M. Madelin, reporting on his meeting with Mr. Channon, said that there had been agreement on all subjects raised, notably:

- (a) the 1987-1992 framework programme for Research and Development. Both sides favoured the programme's adoption at (the Research Council) and hoped it would be oriented to industry.
- (b) the electronics industry and information technology. The UK was French industry's first partner in the Eureka programme with more than 100 expert exchanges. A meeting was due in February 1987.
- (c) telecommunications: there was a common desire to reinforce large-scale joint projects including cellular telephone in the European framework.
- (d) space: there was good cooperation bilaterally and within European framework. On Hermes etc., they agreed in principle on the ESA approach to a preliminary investment phase.
- (e) Nuclear: Britain agreed with France's approach to nuclear safety. The nuclear contracts signed with China were a matter for satisfaction.

M. Madelin concluded that there was a common wish to complete the Internal Market by 1992. Bilateral relations were good and it was agreed to reinforce technical and political links.

15. M. Noir reporting on his talks with Mr. Channon, said that on multilateral trade issues they had agreed to maintain recent excellent contacts, which had produced good results in the launching of a new multilateral trade round. They had agreed that it was important for Community members' credibility with developing countries that they implement the existing agreement on "stand-still". They had also agreed to maintain pressure on the US which, after the Congressional elections, would be tempted to move back from the positions reached at Punta del Este. The next meeting of the Council of Ministers should send the US a strong signal on this.

16. On EC/US relations, M. Noir said that both sides agreed that it was inconceivable that the July agreement on maize should be rolled forward and that they should support the Commission in taking a firm line in its discussions with the US authorities, based on the 21 June position. They had agreed too on EC/Japan, where France had appreciated the role of the British Presidency in finally bringing the Commission to a more realistic position. Constant pressure must be maintained on all fronts. More emphasis could be put by the Commission on use of anti-dumping procedures. The Commission needed more staff to work on relations with Japan. On agriculture the two sides agreed that there should be no foot-dragging in the GATT negotiation, provided that the principles of putting everything on the table and "globality" were observed.

17. On bilateral relations, M. Noir said that the two sides had agreed to maintain their efforts. He had raised the issue of offshore oil industry policy and procedures; the French side believed that their enterprises were not receiving entirely equal treatment. Improved cooperation in the North Sea could lead to large-scale cooperation in third markets, similar to the nuclear success with China. Finally, he had pointed out that it was damaging that British companies seemed disinclined to buy Airbus.

18. Mr. Channon said that these were excellent reports. He

added that with M. Madelin he had spoken of the importance of reaching agreements on a package of Internal Market measures at the December Industry Council. On the research and development programme, they had agreed both that it should be adopted and that there should be budgetary restraint. They had also discussed the shipbuilding industry and agreed that officials should pursue the discussions. On international trade topics, he agreed that there had been a very great identity of view and good working contacts.

19. M. Guillaume, reporting on his talks with Mr. Jopling, spoke from the note at Annex B. He added that the two sides had explained their positions without seeking to disguise their disagreements. On sheepmeat, he said that a key factor in causing difficulties had been the fall of sterling, a currency not subject to the disciplines of the European Monetary System.

20. Mr. Jopling said that M. Guillaume had given a fair account of their discussions. There was much work ahead, given the scale and urgency of problems which the Community had to tackle. But he and M. Guillaume met monthly at Agriculture Councils. They had agreed to work together as much as possible and see what progress could be made at the Councils.

21. President Mitterrand then summed up. He noted the great similarity of positions on strategic matters. Britain and France were both nuclear weapons states, of similar size and similar economic, technical and military resources. They sought the same objectives within the Alliance. To dissuade aggressors their forces must be modernised to remain credible as a deterrent. They also took a common approach towards what had taken place at Reykjavik. The superpowers' nuclear weapons stocks were of a different order of magnitude from those of Britain and France. INF and short-range weapons were necessarily linked. Whatever debate there might be about the zero option, nothing could be done without real verification. One might place arbitrary limits on forces called intermediate

but even short-range weapons posed a mortal danger. There had been some dreamlike discussions of superpower disarmament. This was not the time to discuss cutting the British and French deterrents. Britain and France remained relatively weak (du faible au fort), but even a modest level of nuclear weapons could be sufficient. This applied also to CW: while seeking international agreements France could not deprive itself of weapons which others possessed. British and French strategies were advancing in parallel.

22. On defence equipment and cooperation President Mitterrand said that cooperation on interoperability of arms systems was valuable: the more the two sides could cooperate the stronger they would be.

23. On the research budget President Mitterrand said that he tended to favour a figure closer to 7.7 billion ECU than 3.9 billion. (M. Chirac here indicated disagreement.) But this was for the Community Governments to decide.

24. President Mitterrand noted that there were no major differences on international questions, although there were some points of disagreement on important points. On the Falklands it did not seem very likely that progress could be made to bring positions together in the few remaining days before the UN debate; Britain was not proposing amendments on self-determination. On strategy towards terrorism, we should seek to develop a common response, with bilateral examination of political and diplomatic aspects, as well as existing security cooperation.

25. After referring to the Channel Fixed Link and systems for airborne early warning, President Mitterrand said that the two sides had a comparable commitment in favour of technical cooperation. On GATT negotiations he said that all subsidies should be placed on the table, ensuring a global approach; agriculture should not be the object of particular emphasis (en fleche). He noted agreement to hold expert talks on aids to shipbuilding, a key industrial sector. On the Internal

Market he observed that time was short before 1992. On agricultural problems he said that the sheepmeat question was a problem of circumstances rather than of basic principles, but it touched issues at the heart of our relationship within the Community. Referring also to dairy over-production, he stressed France's attachment to the Treaty of Rome. He hoped the experts could find ways of relieving the tensions.

26. Finally President Mitterrand said that Britain and France had grown closer than ever in the last six years on the major issues. Rarely had there been such a need to coordinate positions on questions such as defence and European construction, to which the French people were wholly committed.

27. The Prime Minister said that she agreed that there was now a wider measure of agreement than ever before. This was partly a result of contacts over the past year. As the President had said Britain and France were of similar size, had similar interests and independent nuclear deterrents. She noted that they had a common approach to Reykjavik. The two countries should now seek to have their common views written into NATO communiqués as the right doctrine. Verification should be emphasised. She said that other European countries no longer saw the British and French nuclear deterrents as an obstacle to arms control agreements but as separate. They now saw that they could make an enormous contribution to the security of Europe and of the free world. She said that Britain would proceed with the modernisation of Trident. The first submarine would come on station in 1995 and Trident would assure Britain's independent nuclear defence for about 20 years.

28. The Prime Minister said that a move forward was needed in the Arab/Israel peace process. The vacuum which had lasted for some time was troubling for Jordan and other states. What was required was not a new initiative but new impetus, persuading the US to take part.

29. On terrorism, the Prime Minister said she had been pleased with the London meeting of Interior Ministers held after the wave of attacks in Paris. She expressed condolences on the recent murder of M. Georges Besses, Chairman of Renault. She said that it must be made clear to hostage-takers and other terrorists that no concessions would be made to them. We must not undercut each other's positions, but keep close contact to strengthen a joint approach. One could never tell which country would be the next target for the terrorists. They should be taught that all of us would act in the same way and not give in to them.

30. On the EC Budget the Prime Minister said that the figure of 1.4% had only just been introduced. In a period of economic growth, it should produce a buoyant revenue. There was no question of raising it. It would be looked at again on 1 January 1988 but not necessarily increased. If the budget was increased every time there were problems over financing of agriculture, we would never deal with the agricultural surpluses.

31. On EC/Japan, the Prime Minister said that we must keep up pressure on the Japanese over their market-blocking tactics. The Japanese must understand that if they did not mend their ways we would take further action under Article XIII(4) of the GATT.

32. On the Internal Market she agreed that further progress was needed, on air fares and in other areas. Harmonisation of taxes was not necessary.

33. On the Falklands, the Prime Minister said that she was disappointed by the French approach. Argentina had invaded the islands which had been inhabited solely by British people for 150 years. The wishes of the Falklanders were paramount. But the Argentines now wanted to achieve through negotiations what they had failed to win by force. Britain stood on the fundamental principle of self-determination, which was written into the UN Charter. She hoped that a country of France's

history and principles would understand this position.

34. Finally the Prime Minister said that Their Royal Highnesses the Prince and Princess of Wales accepted with pleasure the French invitation to visit France in 1988. She proposed to announce this at the press conference.

35. The meeting concluded at 4.30 p.m.

EDP

27 November, 1986.