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RECORD OF THE PLENARY SESSION OF THE ANGLO-FRENCH SUMMIT, HELD  
AT LANCASTER HOUSE AT 1200 ON FRIDAY 29 JANUARY 1988

Present:

The Prime Minister	President Mitterrand M. Chirac
The Rt. Hon. Sir Geoffrey Howe, MP, Secretary of State for Foreign and Commonwealth Affairs	M. Raimond Minister of Foreign Affairs
The Rt. Hon. Douglas Hurd, MP, Secretary of State for the Home Department	M. Pandraud Minister Delegate for Security
The Rt. Hon. George Younger, MP Secretary of State for Defence	M. Giraud Minister of Defence
The Rt. Hon. John MacGregor, MP Minister of Agriculture, Fisheries and Food	M. Guillaume Minister of Agriculture
The Rt. Hon. Lynda Chalker, MP Minister of State for Foreign and Commonwealth Affairs	M. Bosson Minister Delegate for European Affairs
The Hon. Alan Clark, MP Minister of Trade	M. Noir Minister Delegate for Foreign Trade
Officials	Officials

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The Prime Minister said that her discussions with the President and Prime Minister had concentrated on two major issues: the forthcoming European Council and defence and arms control issues. Ministers had gone into more detail in separate discussion.

There was still no agreement in advance of the special European Council and much work remained especially on the important stabiliser mechanisms. Assuming the Council was held as planned, there would need to be a wide measure of agreement in advance, so that success was assured.

The second major theme had been the forthcoming NATO Summit and arms control. Such bilateral discussions were valuable: we did not talk enough about the detail of arms control. Arms control was a particularly vital matter for Western Europe, because it was there the threat of attack most applied. France and the UK, with independent nuclear deterrents, had shared interests and concerns about the next steps. We agreed on the need to retain nuclear weapons and to keep American nuclear weapons in Europe.

In discussion of the Gulf she and M. Chirac had agreed to press for a further Security Council Resolution, providing for an arms embargo on Iran. It was disappointing that, despite efforts over the last few years, there had been no major initiative to solve the Arab/Israel problem.

President Mitterrand said that the French side had stated their views on Community financing. They hoped that the Summit would be successful. France's position was "not aggressive". They had gone to the limit in seeking conciliation and could not go further. There were points of difficulty between the UK and France, also between the UK and almost all the other Member States. He and M. Chirac reserved further comment until Ministers of Agriculture had reported.



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FOREIGN AFFAIRS

The Foreign Secretary said that he and Raimond had discussed EC affairs with Mrs. Chalker and Bosson until the latter left for separate talks on the Internal Market (on which there was broad Anglo-French agreement). On agriculture he and Raimond had identified the biggest differences between us as being over stabilisers especially for cereals and oilseeds. Further work would be needed on these issues. They had also discussed the fourth resource. Britain and France had a very similar approach, but this caused difficulty for Italy. We were prepared to look at a wide range of options and adjust the Fontainebleau mechanism in the light of the effect of the fourth resource on our net contribution. We could not however accept any other change in Fontainebleau. We also had similar views on the Structural Funds. We wanted to limit the increase to one-and-a-half times the maximum rate. On budget discipline our views were close but not entirely the same.

Discussion of East/West issues had brought out a shared concern to avoid Soviet wedge-driving. We agreed on the importance of avoiding the denuclearisation of Europe and negotiations on non-strategic nuclear weapons. We had a tactical difference over including dual-capable weapons in conventional stability talks, and experts would be instructed to follow this up. On Chemical Weapons we shared the objective of a global ban and should keep in close touch. We also wanted to prevent the Russians from using their proposal of a Moscow Conference on Human Rights to divide the West. Britain was sceptical about holding any Moscow Conference. The French too did not want one but feared concessions by some of our Allies.

While agreeing on the value of WEU as a pillar for NATO, Raimond and he had not been able to agree on co-location. They had also welcomed the agreement on SSN visits. On Iran/Iraq they had also welcomed the work going on in New York on a draft arms embargo resolution. We should continue to press Iraq for restraint and reject the Soviet proposal for a



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UN naval force. He had thanked M. Raimond for French co-operation over the Eksund and reaffirmed the importance of making no deals with terrorists. We had identical views on Afghanistan and were sceptical about the Russians' real intentions.

M. Raimond confirmed that there was a difference of opinion on stabilisers. He had said that the present compromise proposal represented considerable progress on such aspects as price reductions and set-aside, and Sir Goeffrey Howe had agreed. We differed on MGQs for cereals and oilseeds and on the automaticity of price cuts for cereals. He had said that the French proposal to include a reference to third countries' trading practices in the clause on exceptional circumstances was not an attempt to weaken budget discipline. The British side had agreed on the need for the EC not to be disarmed against unfair competition. There was broad agreement on Structural Funds, but some gesture would be needed to Italy.

He confirmed that on conventional disarmament, experts should meet to discuss the inclusion of dual-capable vectors, to which France was opposed. There was a tactical difference over the Moscow Conference, and a difference on view over WEU co-location.

DEFENCE

Mr. Younger reported a useful exchange surveying deepening co-operation since the last Summit. On arms collaboration the first Anglo/French equipment conference had taken place in September 1987. This had covered co-operation in land systems. There would be further conferences in Paris in March and London in November on sea and air systems. They had concluded a reciprocal purchasing agreement under which each would offer the other opportunities for procurement of conventional equipment. This was consistent with other European initiatives. Other subjects covered were co-operation in research; possible joint components for EFA and Rafale; joint exercises; and nuclear matters. They had



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discussed possible co-operation on a future generation air-to-ground missile. There was agreement on attitudes to the INF treaty and the WEU "platform", welcome for the collaboration of Navies in the Gulf and for the role of WEU in that. The agreement on SSN visits was noted with approval. Agreement had been reached in December to prepare plans for the common defence of the Channel Fixed Link. Mr. Younger looked forward to carrying the consultations further. M. Giraud agreed.

**AGRICULTURE**

The Minister for Agriculture said that he and M. Guillaume had spent most of their time on stabilisers. They agreed on the need to introduce stabilisers, but M. Guillaume wished to do so only for three years so that the Community would have something in reserve for the GATT negotiations. He had replied that Britain could not agree to a permanent increase in own resources if stabilisers were to be introduced only on a temporary basis. On cereals, M. Guillaume had recommended the present formula as one agreed by ten Member States and one which had brought the Germans to accept price reductions. He had replied that it fell short of the effective measures which we required. It would not stabilise costs in the long term and put too much emphasis on co-responsibility. They had discussed this in some detail and had not reached agreement. On oilseeds M. Guillaume had said that the present formula was the most he could accept and its balance should not be changed. Mr. MacGregor had replied that in his view it would not limit costs in this sector and would cost 600 ecu more than the proposal at Copenhagen.

On set-aside, they were broadly in agreement on the place for this in the overall package and its main features. We regarded green fallow as difficult to apply, but M. Guillaume had agreed that it could be optional. M. Guillaume and he had agreed on the need to keep in close touch over the details of the negotiations with third countries over the import arrangements for sheepmeat. They had also agreed to pursue in



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Brussels more flexible arrangements for the transfer and allocation of milk quotas with the aim of implementation on 1 April 1989. M. Guillaume had raised the Oils and Fats Tax, but there had been no meeting of minds. Finally, M. Guillaume had stressed the importance of Dom Rum and Mr. MacGregor had explained the concerns of the UK spirits industry. The UK could lift its reserve on Dom Rum if the Spirits Directive could be agreed under the German Presidency. Officials would work with that aim.

M. Guillaume said that this was an accurate account of their discussions. Both delegations wanted the CAP to be more influenced by market realities, but France thought it necessary also to take account of the Community's diversity. The Presidency compromise agreed by ten Member States was the limit of the possible for them. They could accept it on two assumptions:

- (a) that the European Council would agree on adequate resources for the CAP; and
- (b) that stabilisers would be introduced for three years so as to press others to make an effort in the GATT context.

The Community should not put constraints on farmers without offering them some hope as well. It should be easy to get the experts to agree on Dom Rum and the Spirits Directive.

**HOME AFFAIRS**

Mr. Hurd said that he and M. Pandraud had reviewed recent terrorist developments. They welcomed the increasing collaboration between French and British agencies, of which Eksund was a good example. They had compared views on the future work of TREVI under the German Presidency and considered ideas for putting its work on a more formal basis. On drugs they agreed that a key instrument was powers to confiscate assets, but that this was not practicable without



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international agreement. Discussion could be carried forward bilaterally, and multilaterally through the Council of Europe. They had agreed on exchanges between officials concerned with the fight against drugs. They had also discussed harmonising visa regimes in Europe and the possibility of an agreement in TREVI on asylum. M. Pandraud agreed, adding that the struggle against drug trafficking needed high priority.

TRADE

Mr. Clark said that in discussion of the Geneva GATT round he had agreed with M. Noir that progress at the mid-term review should include that question of agricultural reform. They agreed in principle, but differed over tactics. The internal market would have important external consequences. Britain and France should keep in touch over ways of ensuring that the Community's interests were advanced. They were agreed that strong Community pressure was needed against unfair Japanese trading practices.

M. Noir said that the French agreed that any differences concerned only tactics. The French were afraid that in the GATT round we would be forced into premature concessions on agriculture, which would weaken our position on other subjects. Our views were close about trade relations with Japan and Asia and the external consequences of the internal market.

CONCLUSION

President Mitterrand, summing up, said that on defence and security views were close. We had a common status as nuclear weapon states and similar reflexes. We should not sacrifice any element of our nuclear deterrent without due return. This applied even after a major decrease in the capability of the Soviet Union.

In the Community, we were both ready to agree a fourth resource on the basis of Commission proposals. On the



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structural funds we were both cautious. We did not want to have to bow to the European Parliament. We wanted a procedure, which though difficult was both possible and desirable, of a global percentage less than the Commission's proposals, that would allow variations depending on the relative prosperity (or poverty) of Member States. On this point the difference between the UK and France was less than with other Members.

Both of us wanted a large element of responsibility ("serieux") on the budget, but it had to be adapted to the different situations of countries and farmers. There was no agreement on MGQs, on price reduction formulae and co-responsibility. Most countries, though not all, shared the French position. The Germans, as Presidency and proposers of the special European Council, were important. They were certainly not ready to move now in the UK's direction. As regards the UK abatement, it was agreed at Fontainebleau that this should not be permanent, but degressive. This remained a problem.

This added up to two points on which we could agree and two that were "more difficult". France wanted agreement at the European Council and still hoped for this.

M. Chirac said he wished only to reinforce what the President had said about France having gone as far as she could on agriculture. It was not justifiable to ask them to go further. The UK position continued to give serious difficulty. We needed, however, to look at the overall future of the EC and its resources, and then at agriculture in the light of that. This was a question for Brussels.

The Prime Minister concluded that on major matters there was wide agreement between us: defence, nuclear questions, co-operation against terrorism, trade (a subject in the forefront of our minds in the year of agreement on the CFL Treaty). The Channel Tunnel would change the history of Europe. All this was positive.



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On the future financing of the Community we had differences. The idea that stabilisers should be limited in time was very difficult to accept. She was in principle against granting permanent incomes for a temporary arrangement. Our differences over agriculture stemmed from attitudes towards tackling surpluses and handling their disposal and the proportion of EC income which should be spent on this. Time and much further effort were needed to solve these questions. Meanwhile, the emphasis should be on the measure of agreement between us on the big issues. She welcomed the Minister of Agriculture's description of his exchanges as "useful and constructive". They should be taken further before the European Council. If agreement were not possible, at least fundamental differences could be refined and clarified.

1 February 1988

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10 DOWNING STREET  
LONDON SW1A 2AA

*From the Private Secretary*

1 February 1988

*Dear dyn,*

ANGLO-FRENCH SUMMIT

I enclose a record of the plenary session of the Anglo-French Summit on 29 January.

I am copying this letter and enclosure to Alex Allan (H.M. Treasury), Brian Hawtin (Ministry of Defence), Philip Mawer (Home Office), Shirley Stagg (Ministry of Agriculture, Fisheries and Food), Marjorie Davies (Minister of State for Trade's Office) and to Trevor Woolley (Cabinet Office).

*Yours sincerely,  
Charles Powell*

CHARLES POWELL

Lyn Parker, Esq.,  
Foreign and Commonwealth office.

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Foreign and Commonwealth Office

London SW1A 2AH

29 January 1988

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Dear Charles,

Anglo-French Summit

/ I attach a draft record of today's plenary discussion.

Yours ever,  
L Parker

(L Parker)  
Private Secretary

C D Powell Esq  
PS/No 10 Downing Street

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