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ANGLO-FRENCH SUMMIT: PARIS 27 FEBRUARY.

SUMMARY

1. A POSITIVE AND CONSTRUCTIVE ATMOSPHERE, THOUGH FEW CURRENT DIFFERENCES WERE RESOLVED. GENERALLY CLOSE AGREEMENT IN ANALYSIS OF INTERNATIONAL ISSUES. MITTERRAND'S LANGUAGE OBSCURES HIS REAL INTENTIONS ON SNF. ON EC ISSUES, AGREEMENT TO DISAGREE ON ASPECTS OF MONETARY COOPERATION, TAXATION OF SAVINGS AND SOCIAL DIMENSION: CLOSER ALIGNMENT ON EC/US AND AUDIO-VISUAL. BILATERAL AGREEMENTS CONCLUDED ON YOUTH EXCHANGES AND EXCHANGE OF DIPLOMATS. PROGRESS NOTED IN TALKS BETWEEN DEFENCE AND INTERIOR MINISTERS. THE FRENCH CONTINUE TO PLAY THE NISSAN ISSUE LONG.

DETAIL

2. THE PRIME MINISTER, ACCOMPANIED BY YOURSELF, THE HOME SECRETARY, THE SECRETARY OF STATE FOR DEFENCE AND THE SECRETARY OF STATE FOR TRADE AND INDUSTRY, VISITED PARIS ON 27 FEBRUARY FOR THE ANNUAL ANGLO-FRENCH SUMMIT. THE ATMOSPHERE WAS FRIENDLY AND CONSTRUCTIVE, THOUGH FEW SOLUTIONS WERE FOUND TO CURRENT DIFFERENCES BETWEEN THE TWO SIDES.

EAST/WEST AND SNF

3. AT THE PLENARY SESSION, THE PRIME MINISTER SAID THAT SHE AND MITTERRAND HAD BEEN IN BROAD AGREEMENT IN THEIR ANALYSIS OF DEVELOPMENTS IN THE SOVIET UNION. THE OUTCOME OF GORBACHEV'S REFORMS REMAINED UNCERTAIN AND IN THESE CIRCUMSTANCES IT WAS VITAL TO MAINTAIN STRONG DEFENCES IN THE WEST. GIVEN THE TIME NEEDED TO DEVELOP NEW WEAPONS, DECISIONS HAD TO BE TAKEN ON KEEPING WEAPONS MODERNISED AND UP TO DATE. THE SOVIET UNION ITSELF WAS DOING SO. SHE BELIEVED STRONGLY THAT LANCE, ONCE UPDATED, MUST BE DEPLOYED IN NATO COUNTRIES. DELAYING THE DECISION COULD MAKE IT MORE DIFFICULT.

4. MITTERRAND AGREED THAT THE WEST COULD ONLY WAIT FOR THE RESULTS OF GORBACHEV'S REFORMS. A FAILURE TO PRODUCE REAL ECONOMIC IMPROVEMENTS, OR TO CONTAIN NATIONALIST PRESSURES WITHIN THE USSR,



COULD PROVOKE CHALLENGES TO HIM. MEANWHILE EAST/WEST RELATIONS WERE IMPROVING DRAMATICALLY. FRANCE AND THE UK NEEDED TO WATCH CAREFULLY ALL DEVELOPMENTS IN ARMS CONTROL, INCLUDING THOSE AFFECTING SHORT RANGE WEAPONS. FRENCH POLICY ON THESE WAS STRAIGHTFORWARD: IF THE SOVIET UNION WAS MODERNISING, THEN NATO SHOULD DO THE SAME. IF THEY WERE NOT, THEN IT WOULD CREATE ADDITIONAL TENSION IF NATO WENT AHEAD. WESTERN EXPERTS APPEARED TO HAVE CONCLUDED THAT THE SOVIET UNION WAS MODERNISING (COMMENT: IN THE SUBSEQUENT PRESS CONFERENCE MITTERRAND SEEMED TO INDICATE GREATER DOUBT ON THIS POINT). THE NATO SUMMIT WOULD HAVE TO TAKE DECISIONS IN THE LIGHT OF CIRCUMSTANCES AT THE TIME, BUT THE FRENCH GOVERNMENT WOULD NOT WISH TO TOLERATE AN IMBALANCE NOR TO SEE A UNILATERAL PROCESS OF DISARMAMENT. THE FRG'S POSITION WAS CRUCIAL, BECAUSE SHORT RANGE NUCLEAR WEAPONS WERE STATIONED THERE. THE GENERAL POLICY OF THE FEDERAL GOVERNMENT AT PRESENT, AND CERTAINLY GENERAL PUBLIC OPINION IN THE FRG, FAVOURED A DELAY, THIS WOULD MAKE DISCUSSIONS VERY DIFFICULT. BUT FRANCE'S BASIC AIM WAS TO ACHIEVE A BALANCE AND TO SEE NATO (FRANCE'S OWN POSITION WAS SEPARATE) MODERNISE IF THE SOVIET UNION WAS DOING SO.

#### MIDDLE EAST

5. THE PRIME MINISTER AND MITTERRAND TOLD THE PLENARY SESSION THAT THEY WERE IN AGREEMENT ON THE NEED FOR THE FIVE TO BE INVOLVED IN THE PREPARATION OF AN INTERNATIONAL CONFERENCE: SPONSORSHIP BY THE US AND THE USSR ALONE WAS NOT THE WAY FORWARD. MEANWHILE THE ISRAELI GOVERNMENT APPEARED FIRMLY OPPOSED TO AN INTERNATIONAL CONFERENCE AND TO DEALINGS WITH THE PLO, AND WAS FAILING TO TAKE ACCOUNT OF DEVELOPMENTS ON THE ARAB SIDE. THE PRIME MINISTER THANKED MITTERRAND FOR FRENCH SUPPORT OVER SATANIC VERSES. IT WAS ESSENTIAL TO UPHOLD THE PRINCIPLE OF FREE SPEECH. IT SHOWED THE STRENGTH OF THE COMMUNITY THAT THE TWELVE HAD AGREED TO TAKE JOINT ACTION.

#### EC ISSUES

6. THE PRIME MINISTER TOLD THE PLENARY THAT SHE DID NOT UNDERSTAND WHY THERE SHOULD BE A PROBLEM FOR NISSAN(UK) IF THERE WAS NO PROBLEM FOR FORD(UK)'S EXPORTS TO THE COMMUNITY. THE FRENCH ATTITUDE ON NISSAN DID NOT REFLECT THE SPIRIT OF THE COMMUNITY AND OUR DIFFERENCES MUST BE RESOLVED. MITTERRAND SAID THAT THE FRENCH PRIME MINISTER WAS HANDLING THIS QUESTION. HE HIMSELF WAS CONCERNED THAT THE FRENCH AUTOMOBILE INDUSTRY, ALREADY AT A DISADVANTAGE AS REGARDS GERMAN PRODUCTS, SHOULD NOT HAVE TO COPE WITH A WAVE OF JAPANESE PRODUCTS IN ADDITION. HE WAS SURE NONETHELESS THAT THE UK AND FRANCE WOULD COME TO AN AGREEMENT.

7. ON MONETARY UNION, THE PRIME MINISTER CALLED FOR A CLEAR AND



PRECISE REPORT FROM THE DELORS COMMITTEE ON WHAT WOULD BE INVOLVED IN MONETARY COOPERATION. POLITICAL DECISIONS COULD ONLY BE TAKEN IN THE FULL LIGHT OF THE PROBABLE CONSEQUENCES. THE LOSS OF DECISION MAKING POWERS BY INDIVIDUAL STATES AND BY THE COMMISSION IN PARTICULAR MUST BE CAREFULLY DEFINED. MITTERRAND SAID THAT HE NOTED THAT THE UK DID NOT WANT QUICK PROGRESS TOWARDS MONETARY UNION. THE PRIME MINISTER'S DESIRE FOR CRYSTAL CLARITY WAS APPPOSITE. THE FRENCH WISHED TO MAKE REASONABLE PROGRESS, BUT THOUGHT THAT THIS COULD BE ACHIEVED WITHOUT HARMING UK INTERESTS. IT WAS CLEAR THAT A DELICATE BALANCING ACT WOULD BE NEEDED.

8. THE TWO SIDES AGREED THAT DIFFERENCES REMAINED ALSO ON TAXATION AND SOCIAL ISSUES. MITTERRAND SAID THAT IT WOULD BE DIFFICULT TO STOMACH NO PROGRESS AT ALL BEFORE THE END OF THE YEAR ON THE SOCIAL DIMENSION. THE PRIME MINISTER UNDERLINED THE NEED TO TAKE ACCOUNT, IN PROGRESS TOWARDS THE COMPLETION OF THE SINGLE MARKET, OF VARIATIONS BETWEEN MEMBER STATES ON MERGERS POLICY AND OF DIFFERENCES OF POLITICAL AND ECONOMIC QUOTE CULTURE UNQUOTE WHICH AFFECTED COMPETITION. SHE ALSO DREW ATTENTION TO THE NEED TO ELIMINATE FRAUD, THE QUICKEST WAY BEING TO ABOLISH MCAS IN AGRICULTURE.

#### FOREIGN AFFAIRS

9. YOU AND DUMAS REPORTED YOUR GENERAL AGREEMENT ON EC/US AGRICULTURAL SUBSIDIES AND ON AUDIO-VISUAL POLICY (SEE MY SEPARATE TELEGRAMS RECORDING YOUR DISCUSSION IN DETAIL). DUMAS REPORTED TO PLENARY THAT YOU HAD REACHED AGREEMENT ALSO ON THREE BILATERAL POINTS:

I) THE FCO AND QUAI D'ORSAY WOULD BEGIN AN EXCHANGE OF DIPLOMATS IN THE AUTUMN:

II) DUMAS HAD ACCEPTED YOUR INVITATION TO HOLD FURTHER TALKS AT CHEVENING ON 15-16 MAY: AND

III) THE TWO GOVERNMENTS HAD AGREED TO DOUBLE THE NUMBER OF BILATERAL YOUTH EXCHANGES.

#### DEFENCE ISSUES

10. MR CHEVENEMENT TOLD THE PLENARY THAT HE AND MR YOUNGER HAD QUICKLY AGREED ON THE NEED TO KEEP NUCLEAR WEAPONS OUT OF THE CFE IN VIENNA, AGAINST THE BACKGROUND OF THE APPARENT SOVIET ATTEMPT, IN A RECENTLY PUBLISHED REPORT, TO INCLUDE TACTICAL NUCLEAR WEAPONS IN THE TALKS. THE TWO MINISTERS HAD AGREED THAT THE IDEAS DEVELOPED IN THE HLTF FOR RESOLVING OUTSTANDING MANDATE QUESTIONS APPEARED TO BE ON THE RIGHT LINES. ON BILATERAL MILITARY CONTACTS, THEY HAD



APPROVED THE IDEA OF A JOINT EXERCISE AT A LATER STAGE IN WESTERN GERMANY, AND HAD ALSO DISCUSSED SECURITY MEASURES FOR THE CHANNEL TUNNEL, POLITICAL CONDITIONS FOR FRANCE AND PARTICIPATION IN THE ACCS AND BILATERAL COOPERATION IN ARMAMENTS PROCUREMENT - INCLUDING CROSS-PURCHASING AND THE JOINT MANUFACTURE OF COMPONENTS FOR BOTH RAFALE AND SONARS. THEY HAD CONSIDERED THEIR RESPECTIVE REQUIREMENTS FOR AIR-TO-GROUND MISSILES AND THE BRITISH DECISION NOT TO ADOPT THE FRENCH ASMP. CHEVENEMENT SAID HE HOPED THAT DISCUSSION COULD NEVERTHELESS CONTINUE ON THE UK'S LONGER-TERM NEEDS, SINCE THE FRENCH MISSILE COULD BE IMPROVED.

11. MR YOUNGER AGREED WITH THIS PRESENTATION. NOTABLE PROGRESS HAD BEEN MADE IN EQUIPMENT COOPERATION OVER THE PAST YEAR, WITH JOINT SEMINARS ON LAND, SEA AND AIR SYSTEMS WELL ATTENDED BY FRENCH AND BRITISH INDUSTRY. BULLETINS OF FORTHCOMING CONTRACTS WERE NOT BEING CIRCULATED TO INDUSTRY IN EITHER COUNTRY. IT WAS RIGHT TO CONCENTRATE ON EACH OTHER'S PRACTICAL NEEDS. AS FOR TALKS ON NUCLEAR QUESTIONS, THEY HAD MADE GOOD PROGRESS IN THE PAST YEAR AND BOTH SIDES WERE NOW LOOKING FOR WAYS OF EXTENDING THEIR RANGE.

#### INTERNAL AFFAIRS

12. M JOXE SAID THAT HE AND MR HURD HAD DISCUSSED BILATERAL AND EUROPEAN POLICE COOPERATION. THEY HAD AGREED ON AN EXCHANGE OF POLICE OFFICERS AND ON PROPOSALS FOR POLICE TRAINING. THESE WOULD BE EXPERIMENTAL IN THE FIRST INSTANCE. BOTH SIDES WERE AGREED ON THE NEED TO PROTECT THE PUBLISHERS OF SATANIC VERSES. THERE HAD BEEN A FULL EXCHANGE ON BORDER CONTROLS AND IMMIGRATION, WHERE EACH SIDE HAD DIFFERENT REQUIREMENTS DERIVING FROM HISTORY AND GEOGRAPHY, AND TECHNICAL CHANGES HAD TO BE TAKEN INTO ACCOUNT. THE ONLY REAL PROBLEM WHICH THEY HAD IDENTIFIED WAS WITH COMMUNITY BORDERS, WHERE THE POLICIES OF MEMBER STATES WERE NOT YET HARMONISED, EG ON VISAS. ON POLICE AND CUSTOMS CONTRÔLS ON CHANNEL TUNNEL TRAINS, M JOXE SAID THAT THE TWO SIDES WOULD REMAIN IN CONTACT AND AIM FOR AN ACCEPTABLE COMMON SOLUTION.

13. MR HURD AGREED, UNDERLINING THE GROWING PRESSURE ON THE COMMUNITY OF PROBLEMS FROM OUTSIDE, PARTICULARLY IMMIGRATION FROM THE THIRD WORLD AND EASTERN EUROPE. THE UK SAW THE NEED FOR CONTINUING CHECKS AT THE FRONTIERS ON NON-EC NATIONALS, WHEREAS THE FRENCH PLACED EMPHASIS ON A VISA REGIME. FURTHER WORK WOULD BE NEEDED UNDER THE SPANISH AND FRENCH PRESIDENCIES.

#### TRADE ISSUES

14. M FAUROUX SAID THAT HE AND LORD YOUNG HAD DISCUSSED HIGH



DEFINITION TV, AIRBUS, MERGER CONTROLS, PUBLIC PROCUREMENT AND NISSAN. THEY HAD AGREED THAT THERE SHOULD BE A COMMUNITY DISCUSSION OF JAPANESE INVESTMENT: THE FRENCH GOVERNMENT WAS KEEN TO AVOID COMPETITION IN THIS AREA BETWEEN EC MEMBERS. LORD YOUNG SAID THAT NISSAN (UK) WAS WELL ABOVE THE 60 PER CENT REQUIREMENTS FOR EFTA COUNTRIES FOR PERCENTAGE OF LOCAL MANUFACTURE AND ASKED FOR CLARIFICATION OF M ROCARD'S RECENT LETTER TO THE PRIME MINISTER: IT WAS NOT CLEAR TO THE BRITISH SIDE WHETHER, IN THE FRENCH VIEW, NISSAN (UK) PRODUCTS WERE INCLUDED IN THE QUOTA FOR NISSAN CARS IMPORTED INTO FRANCE OR NOT.

## GENERAL

15. THE ATMOSPHERE THROUGHOUT WAS CORDIAL AND THE RATHER TEPID QUESTIONING AT THE PRESS CONFERENCE REFLECTED THE DIFFICULTY OF FINDING POINTS OF SERIOUS DISAGREEMENT.

I BELIEVE THAT THE PRIME MINISTER FOUND PRESIDENT MITTERRAND IN GOOD FORM ON THE MAIN INTERNATIONAL ISSUES WHICH THEY DISCUSSED AND THAT THE PARTICIPANTS ON BOTH SIDES FELT THAT THE DISCUSSIONS AT THIS SHORT MEETING HAD BEEN WELL WORTHWHILE. THE FRENCH PRIME MINISTER, WHO WAS PRESENT FOR THE LUNCH, WAS CLEARLY HAPPY TO HAVE HAD A FURTHER CONTACT WITH MRS THATCHER AND ACCEPTED THE CONTINUING DISAGREEMENT ON HIS ENVIRONMENTAL INITIATIVE WITHOUT RANCOUR.

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Your reference

Our reference

Date 28 February 1989

*cm*

*Dear Charles*

ANGLO-FRENCH SUMMIT

/ 1. I enclose a draft record of yesterday's plenary, which you said you would like to see before it was issued. May I leave it to you to make copies as necessary?

*Yours ever*

*Jenny*

J Q Greenstock

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# Points for Press Conference R. L. 10/16

1. Thanks to Mitterand. Excellent and interesting discussion. Very broad agreement on Eur/West, defence, Middle East. Some differences on Europe & Nistan.  
- quite sharp - on
2. Account of week-end activities.
3. On Eur/West
  - period of uncertainty in Soviet Union
  - need to keep defence strong & up to date.
  - need to take appropriate decisions as they become necessary, otherwise it will be a sign of weakness.
  - Will both be seeing Chancellor Kohl in near few weeks.
4. On Middle East
  - gratitude for French and EC support on Azerbaijan. Concern over developments in Iran.
  - similar views on Arab/Israel. Present situation cannot continue. Need for negotiations including



Palatkins. Framework of 5 Remanet

Members of Security Council.

5. On European Community

- discussed monetary cooperation & the importance of the Delors Committee spell out implications of what EMU would mean in terms of transfer of power.

- on internal market, emphasized

importance of eliminating not just technical barriers but also broader, cultural obstacles.

- importance of getting rid of frand.

- raised raised Nissan, using ~~analogy~~ analogy

of Ford.

6. Discussed Economic Summit over lunch.

Should reaffirm sound economic policies with priority given to dealing with inflation. Also need to discuss global environmental issues

*file*

TRANSCRIPT A - PM - PC - PARIS - 27 FEBRUARY 1989

FROM JAMES LEE/BG FOR COI RADIO TECHNICAL SERVICES

TRANSCRIPT OF PRESS CONFERENCE

HELD IN PARIS BY THE PRIME MINISTER, MRS THATCHER,

AND PRESIDENT MITTERRAND OF FRANCE

ON MONDAY, 27 FEBRUARY 1989

=====

TRANSCRIPT A

PRESIDENT MITTERRAND:

Ladies and Gentlemen, Mrs Thatcher and myself are having this press conference with you following on the few hours we spent together working on what is traditionally called the Summits between our two countries.

I personally had a long conversation with Mrs Thatcher and I would like to thank her for being here, for making a contribution. We are always very happy to welcome her here in Paris. At the same time our Ministers were meeting together, that is the Ministers for Foreign Affairs, the Home Affairs Ministers, the Ministers for Industry and Defence.

In the course of the conversation I had with Mrs Thatcher, we tackled a number of subjects, some of which were also tackled during the plenary meeting.

East-West relations, an assessment of the present situation in the Soviet Union of what one might call Mr Gorbachev's experiment possibly, within the country and outside the country.



TRANSCRIPT A - PM - PC - PARIS - 27 FEBRUARY 1989

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PRESIDENT MITTERAND (CONT):

And then there was some discussion of the question of disarmament, the disarmament, of which we have taken note in a certain number of fields. In some cases it is already a fact, in others it is a statement of intent, as in the case for instance of conventional weapons an appointment has been made for the beginning of March and recently the Conference on Chemical Weapons, where we have regained the old agreement between the Soviet Union and the Americans on intermediate missiles. The beginning of an agreement of the same kind between our countries on strategic weapons (I hope that this interruption is not due to the suggestion that certain events might take place, possibly I can speak loud enough so that you can all hear me. I must say it is the first time I have seen this and I certainly hope that Mrs Thatcher will not believe that this is an example of British-French relations!) as I was saying therefore, we talked obviously of the problem which is going to come up at the NATO meeting at the end of the day in Brussels on what is called the modernisation of short-range weapons.

And then we went on to a certain number of aspects of the Middle East problem, we talked about the Middle East and the results of the Iran-Iraq war which obviously led us to what is called today the Rushdie Affair, the reactions of the Western countries and all the different consequences which may stem from this.

## TRANSCRIPT A - PM - PC - PARIS - 27 FEBRUARY 1989

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## PRESIDENT MITTERRAND (CONT):

The Middle East, Mr Shamir's recent visit to Paris, the present state of discussions or non-discussions on the question of a possible international conference and we talked about Europe, the European Community. We approached it via the monetary problem and the Single Market.

We talked about the environment, the problems of the audio-visual world, the last two were relatively easy to deal with. The first two, of course, were more difficult and pending the Commission's report, M. Delors' report, and what the President of the Community, Felipe Gonzales will do pending all this. As I was saying, we discussed a certain number of aspects we knew well where the differences lie between us but we felt that at any rate a compromise had to be reached if the construction of Europe was to go forward.

A few other questions were dealt with concerning the European Community. Mrs Thatcher for instance did not forget to talk about the Nissan cars, Japanese cars made in Great Britain, she does not forget anything and that is a very good thing I find.

I have really summed up, I have only run through not the positions of Great Britain and France but simply the topics which we dealt with and I will leave it to you if you have any questions that you would like to ask to allow us to delve further into several topics in which you are particularly interested.



## TRANSCRIPT A - PH - PC - PARIS - 27 FEBRUARY 1989

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PRESIDENT MITTERRAND (CONT):

But before I give the floor to Mrs Thatcher I would like to say that I for one feel that this kind of meeting is extremely useful, extremely fruitful, not only as regards personal relations, it is always better to continue those relations so as to make sure that you are really working together in a number of concrete fields. But I also think that it is fruitful and important for the relations between our two countries which play a very specific role in Europe for historical, technological reasons, because we have certain weapons, because we are neighbours, and because in the major problems with which mankind has to deal with today we have some similarity in our approach.

Now decisions have been taken which may seem to be perhaps less important if compared to the major subjects with which we deal but I feel that they are not negligible. First of all there will be an exchange of diplomatic staff between our two countries as from the autumn of this country (sic). We will have British diplomats at the Quai d'Orsay, there will be French diplomats in London and they will be welcomed, accepted, as if they were part of the same Administration. And this I feel shows the trust that lies between us.

There will also be an increase in the exchange of youth. We had taken the initiative of this together a few years ago and therefore the budget for these exchanges will be increased, multiplied at least by two.

## TRANSCRIPT A - PM - PC - PARIS - 27 FEBRUARY 1989

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PRESIDENT MITTERRAND (CONT):

We will also increase the number of visits so as to prepare the important Community and international problems which lie before us.

But now I am sure Mrs Thatcher will wish to give you her point of view before we give you the floor for questions.

Madam, once again, may I say how very happy we are to welcome our British friends here and particularly the Prime Minister, in person.

(END OF TRANSCRIPT A, CONTINUED ON TRANSCRIPT B) ~~MMH~~



TRANSCRIPT B: PM - PC - PARIS - 27 FEBRUARY 1989

FROM JAMES LEE FOR COI RADIO TECHNICAL SERVICES

TRANSCRIPT OF PRESS CONFERENCE

HELD IN PARIS BY THE PRIME MINISTER, MRS. THATCHER,

AND PRESIDENT MITTERRAND OF FRANCE

ON MONDAY, 27 FEBRUARY 1989

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TRANSCRIPT B - (CONTINUED FROM TRANSCRIPT A)

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PRIME MINISTER:

Mr. President of the Republic, first may I say that this has been a very very good Summit indeed, as befits two countries with similar interests and a very mature relationship. Second, may I thank the President very much for the arrangements made for me to visit the Gauguin (phon) Exhibition yesterday which I enjoyed enormously, which is a rare treat, and everything possible was done in that marvellous Exhibition to demonstrate it in full, both to me and the many members of the public who go to see it.

The President has indicated the main subjects of our discussion. We were talking in broad-brush terms leaving the details to our Ministers, but there are very interesting movements happening in the world at the moment. The President has indicated them.

## TRANSCRIPT B: PM - PC - PARIS - 27 FEBRUARY 1989

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PRIME MINISTER( CONTD):

In East-West, a period of enormous change in the Soviet Union, but as we all know, periods of very great change, particularly change concentrated into a small period of years, are also periods of great uncertainty and when that happens it is absolutely vital for the West, which is the bastion of freedom and human rights, to keep its defence strong and sure and up-to-date. That is why we can welcome the changes that are going on in the Soviet Union, regardless of what transpires. We hope that they will succeed; if they do not, our defence will be strong and sure.

You know we have a NATO meeting coming up at the end of May. The result of that must be a strong, united Alliance with its weapons up-to-date. I shall be seeing Chancellor Kohl again before that meeting so also will the President of the Republic.

On the Middle East, again, there is a general feeling that it is time for well-prepared negotiations to begin. We feel that those should be within the framework of the five nations representing the Security Council because we feel that each one of us has something to contribute to the result of those negotiations. I think everyone realises the present situation cannot continue and therefore it is a task of finding a way through with people who will negotiate with Israel and Israel negotiating with those people to come through to a satisfactory solution.



TRANSCRIPT B: PM - PC - PARIS - 27 FEBRUARY 1989

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PRIME MINISTER (CONTD):

Of course, we discussed the European Community. We have great decisions coming up. There will be the H. Delors Report which will probably be coming by the Madrid Summit, but I think myself that the greatest attainment between now and 1992 will be the achievement of a Single Market. I do not think people realise just quite what an achievement that will be. It will not only be a matter of the Directives, but a matter of trying to break down some of the cultural barriers which, too, can be a great hindrance to trade and we must give very great attention to that.

Close on the heels of the Single Market, which we had a word about today will, of course, be the Channel Tunnel, hopefully opening in 1993. President Mitterrand and I signed the initial agreements and all is going well and we look forward to taking the first ride through the Tunnel in 1993.

Of course, we discussed Nissan. Nissan should be very similar to another very famous motor company which has great investments in Britain - the Ford Motor Company - investments right across the countries of Europe. We import and export the Ford components and the Ford cars to one another and from Europe to other countries, without regard to borders at all. There are no difficulties on imports and exports and the same should be true with Nissan.

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PRIME MINISTER (CONTD):

We had a very brief discussion about the possibilities of the Economic Summit, but I think we were both particularly interested in some of the environmental problems. Both of us have taken a great interest in the Bangladesh problem with the floods and had a quick discussion. We have seen President Ershad - he is coming to Paris very soon - and we both take a very great interest in the world environment and are particularly concerned about the great part played by the maintenance of the big tropical forests and will give considerable attention to that on the world scene.

I would like to thank President Mitterrand once again for a very good, warm, friendly Summit with a very fruitful exchange.

Now, your questions!

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QUESTIONS AND ANSWERS

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QUESTION (RADIO FRANCE INTERNATIONAL):

Prime Minister Thatcher, did you talk about concerted EEC action against Iran in the light of Khomeini's death threats against British author Salman Rushdie? Is there more the EEC is planning to do than perhaps to break of diplomatic ties with Iran?

PRIME MINISTER:

I thanked the President of the Republic and his Ministers very warmly for the support they had given over the Salman Rushdie matter. It is a fundamental matter of freedom of speech and we cannot have other people inciting their citizens to murder one of our citizens and on that we had to be very firm.

It showed one of the tremendous advantages of having a European Community, that we gathered together and took joint action in a very decisive way.

As you know, we have withdrawn all of our diplomatic staff from Tehran. We had only five there. Relations had only just got going again. They have all been withdrawn and Iran is withdrawing hers from London, so in substance, we have no diplomatic direct relations at all at the moment. Ours are in the hands of Sweden, as they were previously.

So I think in substance, we have already taken the requisite action and been supported splendidly and quickly by the whole Community.

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## QUESTION:

Mr. President, since the situation round the Rushdie affair is perhaps more serious now, do you think that Salman Rushdie still has the possibility of living free without any form of protection?

## PRESIDENT MITTERRAND:

If you are asking me to make a forecast about the degree of hatred of which he is likely to be the object for some time yet, I cannot of course do that. As long as he is under threat, of course, he will have the right to protection which he is entitled to as anyone, whatever one thinks of his books or what he said - anybody who wishes to show his right of free speech will be protected. I cannot of course tell you how long he will have to be protected, but the more solidarity there is between the countries who take a firm stand against this, then the shorter I think the time will be that protection will be necessary. That is, I think, the gist of the matter.

## PRIME MINISTER:

I agree with that completely.

## QUESTION (Israeli Radio):

About Mr. Shamir's visit to Paris which you mentioned, what were your impressions and what did you say to Mrs. Thatcher about this?



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PRESIDENT MITTERRAND:

Well, my impressions are nothing very original. I think that nothing very much is moving.

The international conference which I have myself called for at the initiative of the Five Permanent Members of the Security Council of the United Nations, obviously that is something that the Israeli Prime Minister is not very keen on to say the least.

How else can one start a negotiation? Direct negotiation has failed. You are as familiar with that as I am, and I really do not see what prospects there are to make us think that things are going to change for some time yet.

Will direct dialogue eventually take place between Israel and some future unknown interlocutors who will be the future elected politicians on the West Bank? Whoever they are, Mr. Shamir seems to think to rule out the PLO in this process, so I really cannot give any very positive answer to what you have asked. I do not know what Mr. Shamir's intentions are, but I am sure he will be willing to put them forward to you.

All that I can tell you is that the points which have been rehearsed over several years which would eventually lead to a peaceful solution of the conflict between Israel and the Arab countries seem to have got no further and things are very much in a deadlock at the moment as I see it.

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PRESIDENT MITTERRAND (CONTD):

There is, of course, the idea that there may be some mediation with Egypt and Jordan but it is the Heads of State of those two countries who have expressed their views on this and do not seem to have encouraged that process in what they have said, so if we are talking about a procedure towards dialogue, towards peace, I really have nothing new to add to the situation that you are familiar with.

The Israeli Prime Minister has been received in Paris, as is appropriate, as the representative of a friendly country, has been to see me, and I have told him what I thought of it and we agreed to meet again at some future time, but I think the conversations will go on for a long time yet. It nevertheless remains true that France still believes that one should take into account the new issue which is the meeting of the Palestine National Council in Algiers; the consequences that should be drawn from that are new elements and an international conference, we believe, would be very welcome. That is what I said but that is where we stand.

PRIME MINISTER:

May I just add a few words?

I agree very broadly with the President of the Republic.

I think you need three things to get negotiations started:



TRANSCRIPT B: PM - PC - PARIS - 27 FEBRUARY 1989

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PRIME MINISTER (CONTD):

First, the influence and the resolve of the United States with Israel.

Secondly, the support of the Permanent Members of the Security Council.

Thirdly, a method of choosing who should negotiate on behalf of the Palestinian people. Some would say directly the PLO; others would say that the people of the West Bank whose future is being negotiated should have the chance to choose who should negotiate for them. The latter might be a way of getting people to vote on the West Bank. If so, those elections would have to be held very clearly under fair auspices to minimise any intimidation that might take place, but you are going to need those three things.

QUESTION:

Mr. President, did the Ministers of the Interior study or even take new measures to control together all the threats due to fundamentalists and other extremists?

PRESIDENT MITTERRAND:

There was a long discussion between the two Ministers of the Interior. This is the first time that they have met each other and discussed these matters. It was simply a continuation of discussions which have already been going on and the aim of these discussions at the moment is to make sure that the resources available to ensure the security of persons are appropriate. I cannot say more than that but the fact that this was discussed.

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## QUESTION:

Mr. President, did you discuss the possible reaction of France if tomorrow the Iranian Parliament were to decide to go further and break off completely diplomatic relations with Great Britain, as they threatened to do this week-end?

## PRESIDENT MITTERRAND:

We have not looked at the worst assumptions and at least we shall not talk about them. We shall wait until what might happen does happen before telling you what we think about it, but in an affair of this kind where fanaticism and dogmatism do lead to absolutely irrational situations, one has to be prepared for everything and that is indeed the state of mind in which we find ourselves at the moment.

## PRIME MINISTER:

As I indicated earlier, we have withdrawn our full diplomatic staff from Tehran. The Iranians are withdrawing theirs from London, so in substance, the relations do not continue directly - they only continue through Sweden - so the substance, as far as we are concerned, has already been dealt with.

## QUESTION:

Mr. President, as regards the modernisation of short-range missiles, NATO missiles, do you feel that you would agree more with Chancellor Kohl who feels that we can still wait two or three years or would you agree with Mrs. Thatcher who feels that a decision to be taken more quickly?



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PRESIDENT MITTERRAND:

I will tell you that when the time has come. For the time being, my position is very simple, extraordinarily simple.

If there is modernisation of this type of weapon by the Soviet Union, there is no reason why there should not be modernisation of this type of weapon by the Western Powers.

The aim that I have always striven for is balance. Of course, it is difficult to achieve that balance. We have progress in practically every area as you know full well. There is no reason to spark off a new imbalance in very short-range nuclear weapons. That being said, the country in which the weapons would be stationed is the Federal Republic of Germany. France, itself, as you know, has its own strategy, autonomous, so before discussing this publicly I shall be meeting Chancellor Kohl in a few weeks time and I will wait until we have had a chance to discuss that together before making any public statements.

We have time to discuss this between now and the end of May and it is a decision which must be taken within the framework of the Alliance but it is also a sovereign decision which has to be taken by Germany because it commits Germany and does not commit France, so I think it is quite reasonable of me to observe discretion vis-a-vis our German friends before giving you a full answer on this point.

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QUESTION:

Mr. President, what do you think of the consequences of what is called the "Rushdie Affair" in France? I am thinking of the demonstration yesterday in Paris.

PRESIDENT MITTERRAND:

A communique was published by the Prime Minister this morning stating that in France freedom of thought and freedom of speech is enshrined in our manner of doing things so nothing is forbidden in that respect. Of course, that must not be confused with incitement to murder.

Between those two principles, the Government will conduct its policy. It is quite natural for people to meet, to demonstrate, to protest. If they incite people to murder, that is something quite different and we have to make sure that our laws are respected.

PHILIP SHORT (BBC):

Prime Minister, as a follow-up to that last question, do you intend to do the same thing in Britain, that is to take legal proceedings against anyone in Britain who may call for Mr. Rushdie's death?



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PRIME MINISTER:

You know the position with regard to the law in Britain. If there is to be a prosecution - a criminal prosecution - that is not a matter for the politicians, it is a matter for the prosecuting authorities. If it is a question of sufficient evidence for incitement to murder, that is a decision for the prosecuting authorities to take and the responsibility is theirs, but our law clearly must be upheld according to the law within our own borders.

QUESTION (ITV):

Prime Minister, a follow-up on that question. Why have there been no prosecutions then? We have had a number of people appearing on television in Britain demanding the death of Mr. Rushdie but no prosecutions.

PRIME MINISTER:

Whether or not there are prosecutions is not a matter for a politician. As you know, there is separation of the political decisions and the legal and prosecuting decisions. Who shall be prosecuted is a decision taken by the police and the prosecuting authorities upon the evidence, not a decision for a politician.

The moment a politician can say who shall or shall not be prosecuted, that will be a very dark day for the law, because the law must be impartial and act only on the evidence.

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## QUESTION:

Madam Prime Minister and President, Sir, there has always been a question of nuclear weapons cooperation between the two countries. Did you talk about it today? Did you talk about going further? Did you talk about an extended version of a nuclear weapon launched from an aeroplane? Do you think that it is possible to go further in nuclear cooperation between the two countries?

## PRIME MINISTER:

I believe the Ministers of Defence talked about this. We do need to modernise the free-falling bombs by an air-to-surface missile. We have not, either of us, got a suitable one. We shall need to do a good deal of research and development. I think we would like to cooperate on that research and development. I think we would also like to include the United States in that, because obviously it would be very much cheaper if the cost of research and development could be spread over a larger number of weapons than a smaller number.

## QUESTION:

President, Sir, will we see the Europe of the merchants go along with the the Europe of the rich which you denounce. As far as the social dimension group is concerned and the market aspect of Europe, are you going in the same direction?



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PRESIDENT MITTERRAND:

I have nothing against the Europe of the wealthy. All I would prefer is that everyone should be wealthy. I am simply against a system where the general rule is inequality, because it stems from the economic and social structures, but this is already a discussion of the past. However, I did want to make that point and when I see what you call the Europe of tradesmen go forward, well why not? The merchants in the Middle Ages were the ones who began to move from one country to another and trade increased and that was very good for the civilisation of the West, but at the same time, I hope and I wish all the producers, the workers at all levels should also feel that they too are Europeans in their everyday life - thanks to the guarantees which they have, thanks to their style of living. Everything should go forward at the same time.

Obviously, we have got to begin somewhere, but we must try and harmonise interests.

(END OF TRANSCRIPT B - CONTINUED ON TRANSCRIPT C) ~~END~~

TRANSCRIPT C - PM - PC - PARIS - 27 FEBRUARY 1989

FROM JAMES LEE/BG FOR COI RADIO TECHNICAL SERVICES

TRANSCRIPT OF PRESS CONFERENCE

HELD IN PARIS BY THE PRIME MINISTER, MRS THATCHER,

AND PRESIDENT MITTERRAND OF FRANCE

ON MONDAY, 27 FEBRUARY 1989

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TRANSCRIPT C (CONTINUED FROM TRANSCRIPT B)

QUESTION:

I would like to put a question to you concerning Salman Rushdie. Our law on the freedom of the press of 1890 states that there should be a fine or even 1 - 5 years imprisonment for people who incite to murder in public. Now that law may have to be revised but as people yesterday in France publicly incited to murder, is there not regret that these people have not been arrested?

PRESIDENT MITTERRAND:

I will refer you to the communique from Martignon (phon) which says that any new appeal to violence or murder will immediately lead to judicial proceedings. That is what I had wanted to show you but I did not have it in front of me when I answered you the first time. Is that all right?



## TRANSCRIPT C - PH - PC - PARIS - 27 FEBRUARY 1989

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## QUESTION:

Mr President, I would like to take up your answer concerning short-range nuclear weapons. You said if the Soviet Union modernises its short-range nuclear weapons you see no reason why there should not be modernisation by the Western powers. Do you believe that there is a modernisation of short-range nuclear weapons on the part of the Soviet Union which requires a modernisation on the part of the Western powers and do you think this requires a forthcoming decision?

## PRESIDENT MITTERRAND:

Discussion is going on. If there were an imbalance, there is already an imbalance as regards quantity by the way in Europe, but if that imbalance were to be increased by difference in quality well then certainly everyone would understand that to safeguard peace we should restore the balance.

## QUESTION (Adam Bolton, Sky News):

Can I ask whether you discussed food safety at all, particularly in view of some of the measures in Britain taken against French soft cheeses and whether indeed that played a part on the menu of what you had for lunch?

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PRIME MINISTER:

No we did not discuss food safety but I had some very good camembert cheese for lunch.

PRESIDENT MITTERRAND:

Very good Mrs Thatcher. Anyway, I am sure that no-one would stand on health grounds here because obviously you have got to be very careful about this sort of thing but at the same time you cannot use that as a trade argument and I am sure our British friends understand this quite as well as we do and I am sure that they could answer back if they wanted to in other fields. It is a question of honesty in trade.

QUESTION:

I would like to know if you have discussed issues concerning the European Monetary System and I would like to ask Prime Minister Thatcher whether she believes the entry of the UK into the EMS as premature still?

PRIME MINISTER:

We did not discuss that particular system. We are waiting for the report of the Delors Commission. You refer to the European Monetary System. We have been members of the European Monetary System for a very long time. Is that clear?



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PRIME MINISTER (CONT):

We have been members of the European Monetary System for a very long time and part of our reserves are allocated to that System. I do not think you got your question right but I will not correct it for you. I have given you the right answer.

PRESIDENT MITTERRAND:

I am sure that the gentleman was thinking of something else but, no, no no, we are not going to continue the discussion, but it is absolutely certain that we did discuss the European Monetary System, of course we talked about it, it is an essential topic and at present it is difficult to say much because we do not yet know about the main aspects of the decision, M. Delors' report, the decisions which will be taken by Felipe Gonzales, the President of the Council, all this needs to be known. I think it would be much more useful to put the question again soon, at any rate before the Madrid Summit.

The fact that there are different approaches, need we really repeat that? The fact that progress can be made, as I hope will I am sure be proven later on but we would really be speaking uselessly if we were to go any further today.

(END OF TRANSCRIPT C, AND OF WHOLE TRANSCRIPT) **FIN**