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## PRIME MINISTER'S MEETING WITH PRESIDENT MITTERRAND, 20 JANUARY

## SUMMARY

1. MITTERRAND CONTINUES TO DOMINATE THE POLITICAL SCENE, RIDING SERENELY ABOVE PERSONAL RIVALRIES IN THE SOCIALIST PARTY. HIS MAIN CONCERNS: HOW TO MANAGE CHANGE IN EASTERN EUROPE AND GERMANY PEACEFULLY, AND HOW TO PRESERVE FRENCH INFLUENCE AND SECURITY IN THE CHANGING EUROPEAN ENVIRONMENT.

2. HE STILL SEES EC INTEGRATION AS CRUCIAL TO ANCHORING GERMANY. HE PLACES HOPES IN STRENGTHENED CSCE PROCESSES AS MEANS OF MANAGING CHANGE AND REASSURING SOVIET UNION.

3. SCOPE FOR ANGLO/FRENCH COOPERATION ON THESE ISSUES, INCLUDING STEERING THEM IN SUCH A WAY AS TO PRESERVE THE ALLIANCE AND THE AMERICAN COMMITMENT AND FURTHER STRENGTHENING BRITISH-FRENCH DEFENCE COOPERATION.

## DETAIL

## DOMESTIC

4. THE DOMESTIC POLITICAL DEBATE HAS RECENTLY BECOME LIVELIER, WITH PERSONAL RIVALRIES BETWEEN LEADING POLITICIANS OF BOTH RIGHT AND LEFT INTENSIFYING (MY TELNO 69). BUT IT IS A DEBATE ABOUT PERSONALITIES NOT ISSUES. THE ROCARD GOVERNMENT CONVEYS A CAPABLE IMPRESSION. MITTERRAND RETAINS HIS DOMINANT POSITION ABOVE FACTIONAL SQUABBLES IN THE SOCIALIST PARTY: THEY HAVE YET TO AFFECT HIS LEADERSHIP, EVEN ON DOMESTIC POLICY, LET ALONE FOREIGN AFFAIRS AND DEFENCE.

## GERMANY AND EUROPEAN ARCHITECTURE

5. SINCE THE STRASBOURG EUROPEAN COUNCIL AND THE END OF THE FRENCH PRESIDENCY, THE FOCUS HAS NATURALLY SHIFTED TO SOME DEGREE AWAY FROM EC INTERNAL MATTERS (EMU, SOCIAL, INTERNAL MARKET) FURTHER TOWARDS EASTERN EUROPE: HOW FRANCE AND THE TWELVE SHOULD SUPPORT THE REFORMING EASTERN EUROPEAN COUNTRIES AND DEAL WITH THE LONGER TERM PROBLEMS CONNECTED WITH THE GERMAN QUESTION.

6. THE FRENCH HAVE WATCHED CHANGE IN EASTERN EUROPE WITH INTENSE INTEREST AND ENTHUSIASM, TEMPERED BY WORRIES IN SOME QUARTERS ABOUT GERMANY AND REUNIFICATION. THERE WAS A MASSIVE PUBLIC RESPONSE AT CHRISTMAS TO APPEALS FOR AID TO ROMANIA. IN GENERAL THE GOVERNMENT'S APPROACH HAS BEEN WELL RECEIVED.

7. MITTERRAND IS KEEN TO TAKE A LEAD AND NOT TO ALLOW FRANCE TO BE OVERTAKEN BY EVENTS. HE HAS BEEN ACTIVE IN A NUMBER OF WAYS:

(A) EXCHANGES WITH EASTERN EUROPE: MITTERRAND VISITED THE GDR ON 20-22 DECEMBER AND IS NOW IN HUNGARY (17-19 JANUARY),

(B) THE VIGOROUS PURSUIT OF THE PROPOSAL FOR A EUROPEAN BANK FOR RECONSTRUCTION AND DEVELOPMENT (EBRD): MITTERRAND HIMSELF OPENED THE PARIS MEETING EARLIER THIS WEEK,

(C) MITTERRAND'S PROPOSAL THAT A CSCE SUMMIT BE HELD IN PARIS IN 1990.

8. HE HAS ALSO THROWN A NEW IDEA INTO THE POT WITH HIS CALL IN HIS NEW YEAR MESSAGE TO THE FRENCH FOR A 'EUROPEAN CONFEDERATION' INCLUDING ALL THE COUNTRIES OF EUROPE PROVIDED THEY MEET THE REQUISITE STANDARDS OF DEMOCRACY AND PLURALISM. IT IS CLEAR FROM DISCUSSION WITH FRENCH OFFICIALS THAT MITTERRAND HAS NOT THOUGHT THROUGH THIS IDEA. HE SEES IT AS A BEACON FOR THE EAST EUROPEANS IN THE DIFFICULT TIMES WHICH LIE AHEAD. HE MADE CLEAR THAT IT WAS AN IDEA FOR THE LONG TERM: IN THE SHORT TERM, THE PRIORITY IS TO PRESS AHEAD WITH THE INTEGRATION OF THE TWELVE.

9. AS TO GERMANY, MITTERRAND'S TALKS WITH KOHL AT LATSCHER ON 4 JANUARY HAVE HELPED TO RESTORE GOOD RELATIONS AS HAS HIS SYMPATHETIC, THOUGH CAREFUL, LANGUAGE ABOUT GERMAN SELF-DETERMINATION. KOHL'S SPEECH IN PARIS ON 17 JANUARY ABOUT GERMAN UNITY (MY TELNO 73) WAS DESIGNED TO BE REASSURING, ON GERMAN COMMITMENT TO EC INTEGRATION ('GERMAN UNITY AND EC INTEGRATION ARE NOT ALTERNATIVES .... THEY ARE COMPLEMENTARY'), ON THE CONTINUING IMPORTANCE OF THE FRANCO/GERMAN 'MOTOR' IN THE COMMUNITY, AND ON THE ODER-NEISSE FRONTIER.

10. SENIOR OFFICIALS CLOSE TO MITTERRAND SEE THE ATTRACTIONS OF PRESERVING A TWO STATE CONFEDERAL STRUCTURE AT ANY RATE FOR A TIME, BUT THERE IS ALSO A WIDESPREAD AND FATALISTIC ACCEPTANCE THAT THE DRIVE TOWARDS GERMAN UNITY MAY WELL OVERWHELM ANY SUCH OUTCOME.

11. MITTERRAND SEES THE ARGUMENTS FOR THE MAXIMUM STABILITY OF STRUCTURES AT A TIME OF UNCERTAINTY. HE IS VERY WORRIED ABOUT THE POSSIBILITIES OF INSTABILITY INHERENT IN THE BREAK-UP OF THE SOVIET EMPIRE AND THE UNTIDINESS OF THE MAP OF EUROPE IN TERMS OF NATIONAL MINORITIES. THAT EXPLAINS THE WEIGHT HE HAS PUT ON THE NEED TO PRESERVE EXISTING FRONTIERS, AND HIS CONCERN NOT TO MAKE GORBACHEV'S POSITION ANY MORE DIFFICULT.

12. ON SECURITY ISSUES, MITTERRAND HAS SAID THAT THE MAINTENANCE OF THE EXISTING STRUCTURE OF ALLIANCES WOULD BE STABILISING. HE IS OPEN TO THE ARGUMENT THAT, WHATEVER HAPPENS IN GERMANY - AND THUS TO THE DOCTRINE OF FORWARD DEFENCE AND THE ROLE OF TACTICAL NUCLEAR WEAPONS - WE NEED TO WORK TO PRESERVE THE ATLANTIC ALLIANCE AND THE US COMMITMENT AS GUARANTEES OF OUR SECURITY. BUT MANY PEOPLE HERE DOUBT THAT THE WARSAW PACT CAN SURVIVE FOR LONG, AND ARE SCEPTICAL ABOUT US IDEAS FOR BUILDING UP NATO'S POLITICAL ROLE. THE CSCE IS THEIR PREFERRED CANDIDATE AS A FORUM TO HELP MANAGE CHANGE AND PROVIDE SOME SECURITY ASSURANCE TO THE SOVIET UNION - WHICH MIGHT MAKE IT EASIER FOR THE RUSSIANS TO ACCEPT THE WITHERING AWAY OF THE WARSAW PACT WHILE NATO IS MAINTAINED.

13. THE BASIC FRENCH INSTINCT IS TO SEE THE CLOSEST POSSIBLE FRANCO/GERMAN COOPERATION AS THE BEST WAY OF MAINTAINING GERMAN COMMITMENT TO EC INTEGRATION AND INFLUENCING GERMAN POLICIES. THAT WILL REMAIN. BUT THERE SHOULD BE A ROLE, AT A TIME OF UNCERTAINTY, FOR INCREASED COOPERATION BETWEEN FRANCE AND THE UK IN TRYING TO STEER THE PROCESS OF CHANGE. THIS INCLUDES DEFENCE COOPERATION. EVEN MITTERRAND MAY NOT BE FULLY AWARE OF THE PROGRESS MADE OVER THE LAST TWO YEARS IN THIS FIELD, AND NOT ONLY IN PROCUREMENT MATTERS, THOUGH THAT HAS BEEN AN IMPORTANT PART OF THE PICTURE. THE FRENCH AGREE WHEN WE TELL THEM THAT COOPERATION ON SUB-STRATEGIC NUCLEAR SYSTEMS (ASMP) SHOULD NOT BE SEEN AS THE TOUCHSTONE OF THE ENTIRE DEFENCE RELATIONSHIP, BUT THEY CONTINUE TO SEE THE NUCLEAR ELEMENT, AND ESPECIALLY ASMP, AS VERY IMPORTANT.

#### OTHER ISSUES

#### CAMBODIA

14. MITTERRAND PLAYED A PERSONAL PART IN SETTING FRENCH POLICY ON THE NEW LINE WHICH HELPED TO ACHIEVE THE PROGRESS MADE IN THE FIVE'S TALKS HERE ON 15-16 JANUARY. IN EFFECT THE FRENCH HAVE ABANDONED THE APPROACH OF A QUADRIPARTITE SOLUTION BUILT ROUND SIHANOUK IN FAVOUR OF A GREATER ROLE FOR THE UN IN A TRANSITION TO FREE ELECTIONS. THE

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FRENCH WILL BE LOOKING FOR SUFFICIENT PROGRESS IN FURTHER MEETINGS TO LEAD TO THE RECONVENING OF THE INTERNATIONAL CONFERENCE IN PARIS LATER THIS YEAR.

HONG KONG

15. THE FRENCH HAVE TAKEN A GENERALLY HELPFUL LINE BOTH ON CONFIDENCE-BUILDING, AND ON BOAT PEOPLE.

PAKISTAN

16. MITTERRAND WILL VISIT PAKISTAN AND BANGLADESH IN FEBRUARY. |

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