Foreign and Commonwealth Offic London SW1A 2AH CONFIDENTIAL 2 May 1990 Dear Charle Anglo-French Summit, 4 May The Prime Minister will have one and a half hours of talks with President Mitterrand on 4 May, followed by a plenary session, a joint Press Conference and lunch. Summit follows closely on the Prime Minister's and President Mitterrand's meetings with President Bush (13 and 19 April), the Franco-German Summit (25-26 April), and the informal EC Summit (28 April). NATO Foreign Ministers are meeting the day before. The first Ministerial "2+4" meeting will be held in Bonn the next day. President Bush has written to the Prime Minister about his meeting with President Mitterrand; the latter has promised to give the Prime Minister an account of his meeting at the Summit. We see the main objectives for this meeting as: - to concert views with the French on German unification and on relations with the Soviet Union (which President Mitterrand hopes to visit in late May); - to explore the French approach to the development of NATO and to secure an eye-catching declaration which highlights our bilateral defence co-operation; - on the EC, to review the main EC issues in the light of the Dublin informal summit. We also see one regional objective: to persuade President Mitterrand before President de Klerk's visits to European capitals (including Paris and London) of the importance of a positive response from the Community to recent developments in South Africa: France Internal France faces its longest period without a major election since the mid-seventies. No Parliamentary elections are due until 1993, and the next Presidential election is due in 1995. /on CONFIDENTIAL



On both left and right the electoral vacuum has provoked policy squabbles and personal rivalries as potential presidential candidates manoeuvre for position. Prime Minister Rocard now seems best-placed on the left: the right is riven by rivalry between former Prime Minister Chirac (RPR), former President Giscard (UDF) and the younger generation headed by Michel Noir.

President Mitterrand's popularity rating has fallen, to 48% in one opinion poll. The main reason for this was probably faction-fighting at the Socialist Party Congress in March. But with the opposition in disarray and the economy performing well, President Mitterrand and his Government are under no immediate pressure.

Immigration and related issues continue to attract attention in France, after a series of racial murders and a rise in racist sentiment.

France/Germany

The Paris/Bonn links look better than for some months, after the Mitterrand/Kohl joint statement on European Political Union, their Summit in Paris on 25-26 April and joint letter to the Lithuanian President. This activity shows the continuing political interest in Paris and Bonn in presenting a special bilateral relationship as the "motor of Europe". Behind the shared rhetoric lie differences of substance. The French remain privately concerned about the balance of the relationship, as German power grows.

German Unification

The Prime Minister could refer to the satisfactory outcome of the EC Informal Summit on 28 April, where there was universal support for the Commission's proposed approach to the integration of the GDR into the EC, and an explicit assurance from Kohl that the FRG does not want a special pre-accession aid programme.

The first 2+4 Ministerial is unlikely to conclude much given the uncertainty of the Soviet position on many of the key issues. It is important that the Western Four concert their negotiating position to reduce Soviet scope for wedge-driving. The Prime Minister could suggest that a priority is to agree on the form of a settlement: to avoid a

/cumbersome



cumbersome and anachronistic Peace Treaty involving all Second World War belligerents, and to aim instead for a range of legal instruments addressing the different aspects of a settlement. In our view, the 2+4 should concentrate on preparing only those instruments which are legitimate Four Power matters. We should resist Soviet attempts to put onto the 2+4 agenda issues which are properly for NATO, or which can be dealt with by the Western Four, or indeed by the FRG and GDR bilaterally (the FRG/GDR State Treaty on economic and monetary union, now under negotiation, is an obvious example).

Borders are another issue which will need tackling at an early stage. It has been agreed that the Poles should be invited to attend the first 2+4 Ministerial (date not yet fixed) at which their border with Germany is discussed. The French plan on this being a meeting in Paris in June/July.

Germany/NATO

The Russians are likely to make particular difficulties in 2+4 over the security aspects of unification. French views are close to our own. The Prime Minister could stress that:

- our tactical aim should be to lower Soviet expectations of Western concessions, while reassuring them about our readiness to take their own concerns into account.
- the Russians will try to pin us down on details of the agenda and include items we believe are not for this forum.
- we must resist this. The emphasis should be on issues to be <u>decided</u> at the Two Plus Four: military aspects of Berlin, future of Soviet forces in Germany.
- if Russians press for inclusion of other issues (eg limits on foreign forces in Germany, nuclear weapons) we should distinguish between our willingness to listen to what they have to say in Two Plus Four and our insistence that the detailed discussions and decisions must be handled elsewhere.

Defence/Security

The Summit will be an important opportunity to take forward the initiative launched at the Prime Minister's meeting with President Mitterrand on 20 January to enhance

/Anglo



Anglo-French defence co-operation. Since that meeting, the Foreign and Defence Secretaries have had further discussions with their French counterparts, and a joint meeting on 23 April. Officials have since agreed a note of the main points of agreement and of questions requiring further discussion by Ministers in five areas of current activity:

- the security aspects of German unification;
- the future of conventional arms control;
- future force structures;
- nuclear issues, and bilateral defence co-operation.

// A copy is enclosed, together with a revised draft statement on Anglo-French defence relations (your letter of 27 April) which has now been agreed with the French at official level.

The Foreign and Defence Secretaries will be discussing the issues in the agreed note at their bilateral meetings during the Summit. On many of these issues, we share common ground with the French. But they remain wary of any moves which might be seen as drawing them back into the integrated military structure. Although they share our interest in maintaining public support in Europe for nuclear deterrence, they are unwilling to help to persuade the Germans of the importance of retaining nuclear weapons on their territory.

On the other issues, the Prime Minister might wish to draw on the following points when these subjects are discussed at the plenary session:

- <u>future of conventional arms control</u>. Need for continuing close Anglo-French consultation as NATO begins to develop its position. Useful to maintain the momentum of conventional arms control but reductions to parity in further categories in equipment, or further rounds of cuts in equipment already to be limited under CFE, would not necessarily be in our security interests. The focus for the next phase should be managing the security implications of Soviet withdrawal from Eastern Europe and German unification.
- <u>future force structures</u>. Interested by your comments at press conference with President Bush at Key Largo that France was willing to join a process of common reflection

/about



about the future of NATO. If NATO is to survive as a healthy Alliance, it must show that it can adapt to changing circumstances. Essential to retain support in Germany for the stationing of NATO (including US) forces. Also important to use the opportunity of adapting NATO to emphasise the European contribution to NATO's defence effort. Need for imaginative new thinking to maximise the contribution of each of us to Western defence.

- nuclear issues. The key is to retain public support for nuclear deterrence, particularly German support for the basing of nuclear weapons on German territory. Given the very likely end to funding for FOTL, TASM will be the essential sub-strategic system for the future. Decisions on NATO's SNF modernisation and arms control policies will need to be taken with that in mind. Against this background, attach great importance to continuing Anglo-French nuclear co-operation.
- if President Mitterand raises the question of Anglo-French collaboration on TASM, the Prime Minister might say that we are continuing to evaluate the French and American options. Defence Ministers have agreed on steps to extend the range of bilateral defence co-operation. These include extending the joint exercises programme and the possibility of further co-operation in the arms control field. As a longer term objective, officials are looking at more co-operative use of training areas. The MOD plan to issue a joint press release on defence co-operation to coincide with the final press conference.

EC Issues

There will be no need to dwell at length on 4 May on the integration of the GDR into the Community following the successful outcome on this subject in Dublin. The Prime Minister may however wish to stress to President Mitterrand:

- the need for vigilance by the Council in the period before unification to ensure that the Germans are scrupulous about keeping Commission/Community informed on state aids and investment in the GDR;
- the need for the Commission to monitor trade flows, to minimise the risk of distortion, and to keep the Council fully informed.



President Mitterrand will be generally content with the 28 April result on "political union", although the Dublin meeting deferred until June the decision on a second IGC. French and German views on the <u>substance</u> of political union differ markedly. While the Germans want to strengthen the Parliament, the French emphasis appears to favour strengthening the Council as a counter-weight to the Commission. The Prime Minister might probe President Mitterrand's views.

The French have shown some interest in a lengthy <u>EMU</u> Stage 2, which indicates some reluctance - at least in the Bank of France and French Treasury - to move quickly to a Stage 3 on Delors Report lines. If President Mitterrand raises EMU on 4 May, the Prime Minister could:

- stress the need for full and adequate preparation for the December IGC;
- offer close Anglo-French contacts on EMU development beyond Stage 1, and particularly on the definition of Stage 2.

It would also be useful to seek French support for a further spurt on the <u>Single Market</u> Programme in the remainder of the Irish Presidency; progress so far has been unimpressive. Areas to highlight are financial services and transport liberalisation.

The GATT Uruguay Round is entering its final phase. At the informal trade Ministers' meeting in Puerto Vallarta, Mexico, 18-20 April (Lord Trefgarne represented the UK; M Rausche represented France) Ministers agreed that detailed negotiating frameworks must be in place by July, including on agriculture. Much remains to be done if the Round is to succeed. We hope the Houston Summit will agree specific political commitments on key GATT issues, paving the way for a successful conclusion.

The French remain cautious about reductions in agricultural support - but agreement to this will be vital to the success of the Round. Concern about the CAP is also one reason for their reluctance to agree to the strengthening of the dispute settlement arrangements which we believe is necessary if the GATT is to be a credible alternative to US unilateralism.



In arguing for a constructive French position, the Prime Minister may wish to draw on the following points:

- a deal on <u>agriculture</u> is crucial to the success of the Round. Agreement in Mexico to produce detailed negotiating frameworks by July is a start. So are the welcome hints of US willingness to negotiate, which President Bush gave to the Prime Minister in Bermuda (and to the Commission in Washington);
- the Community must match US flexibility: we be willing to develop existing proposals by specific commitments to substantial reductions in support and protection;
- strengthened <u>dispute settlement</u> arrangements will also be vital to the future credibility of GATT. Only way to counter US unilateralism;
- hope we can use Houston Summit to pave the way to a successful outcome to the Round. The need at Houston will be for commitments on key areas (including agriculture and dispute settlement).

Soviet Union

Discussion on the Soviet Union is likely to be dominated by Lithuania. There have been some signs of movement towards the beginning of negotiations and the restoration of some energy supplies. But the situation remains unclear. The Prime Minister might emphasise the importance of continued strong Western pressure for purposeful dialogue, and for a reduction of tension over Lithuania. The Twelve should continue to keep in close contact over this. In wider discussion on the Soviet Union, the Prime Minister might draw on the following points:

- Gorbachev's political position strong. New Presidential powers. Shift of authority away from Party towards Supreme Soviet. Party's power likely to be further diminished after July Congress, and one multi-party system foreshadowed by amendment of Article 6 becomes a reality.
- New Supreme Soviet (elected by relatively democratic process) proving unexpectedly successful both as debating chamber and legislature. New Republican Supreme Soviets likely to prove equally assertive if not more so.



- But Gorbachev faced by formidable array of problems. Nationalist unrest in Central Asia and Western parts of Soviet Union as well as Baltics. No signs of improvement in economic position. Soviet authorities aware that radical measures necessary but unwilling to take difficult decisions. Prospects gloomy.

Eastern Europe

The Prime Minister promised President Havel in March she would discuss with President Mitterand the idea that they should meet in Prague on the anniversary of Munich, in order to consign it to history. President Havel said that President Mitterrand had responded favourably. We have had no other indications of his reaction.

The Prime Minister may like to give her impressions of Dr Antall, leader of the Hungarian Democratic Forum, who hopes to form a coalition government by mid-May including the Smallholders' Party. Since the election he has reiterated his support for gradual reform and intention to adhere to the IMF agreement. His supporters may urge a more aggressive policy towards Romania, but for the moment both sides seem to be trying not to exacerbate tensions in Transylvania.

South Africa

President de Klerk will visit Paris (9-10 May) before he comes to London during his forthcoming European tour. The Summit coincides with the final day of the exploratory talks between the South African Government and the ANC to see whether the obstacles to negotiations can be removed. The Prime Minister may therefore wish to raise South Africa, in particular the following points:

- the importance of encouraging all parties to enter negotiations.
- While President de Klerk has opened the way for an end to apartheid, he cannot accept "winner-takes-all" as the basis for a new constitution. This is what he means by "no majority rule". He needs checks and balances to protect minorities.
- The ANC are still advocating the armed struggle and seem unable/unwilling to curb continuing inter-black violence. They must be persuaded to stop the rhetoric of arms struggle and use the opportunity for negotiations now on offer.

CONFIDENTIAL

CONFIDENTIAL Bilateral Co-operation over Disaster Relief The French are likely to raise this. The ODA are willing to discuss this with them, despite reservations as to the practical applications. The French have told us that they hope a declaration might be agreed at the Summit. We suggest the following: - The two sides have agreed that British and French experts should examine the possibilities of extending existing co-ordination in emergency relief overseas in areas of mutual interest. The Treasury will be writing separately on IMF Quotas /EBRD later this week, when it is hoped the position will be clear. We will write again with material which could be drawn on at the joint Press Conference. Personality notes on the President and Messrs Dumas and Chevenement are enclosed. I am copying this letter to Sonia Phippard (Cabinet Office) and Simon Webb (MOD). (R H T Gozney) Private Secretary C D Powell Esq 10 Downing Street CONFIDENTIAL

PRIME MINISTER'S VISIT TO WADDESDON FOR THE ANGLO-FRENCH SUMMIT FRIDAY, 4 MAY 190

DISTRIBUTION:

Mr. Powell

Mr. Ingham

Mr. Bean

Mr. Beaumont

Mrs. Allan

Mrs. Dibblin

DCI Dwyer

DI Lewis

Telephonists (Please see note below re Wet Weather Programme)

Duty Clerk

Garden Rooms

Mr. Oliver

Mr. Rumble

Mr. Dean

Mr. Blackeby

ADVANCE:

a.m.

Mr. Oliver to Waddesdon

Mr. Blackeby: Mr. Bean from home to Waddesdon

Beige Montego F733 RJD

GCS:

Mr. Beaumont from home to Waddesdon Town Hall weeded.

No pass

p.m.

Mr. Dean to Waddesdon Blue Rover E622 KYW

Helicopter Party

Prime Minister
Foreign Secretary
Mr. C.D. Powell
Mr. B. Ingham
Mrs. A. Allan
Mrs. J. Dibblin

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0840

Depart No.10 for Wellington Barracks

Car 1 Prime Minister Mr. C.D. Powell

(Mr. Rumble)

Back-up

Car 2

Mr. B. Ingham Mrs. A. Allan

(Mr. Dean)

Mrs. J. Dibblin

0850

Depart Wellington Barracks for Waddesdon

0915

Arrive Waddesdon

Mr. Oliver and Mr. Blackeby available if

necessary; or Walk to house

0945

President Mitterrand arrives

1000-1130

Bilateral Meeting

1145-1230

Plenary Session

1240-1330

Press Conference

1330-1515

Lunch

(for 1330)

(c. 1515

Depart for No.10 Mr. B. Ingham Mr. I. Beaumont Mrs. A. Allan)

(Mr. Blackeby)

1515-1545 Khr carby

Break

(Possibility of further talks or

Walk in the grounds)

1545-1645

Tour of Waddesdon Manor

1650

President Mitterrand departs for Northolt with

Foreign Secretary

c. 1655

Depart for Chequers

Car 1 Prime Minister Mrs. J. Dibblin

(Mr. Oliver)

Back-up

(c. 1655

Depart for No. 10 Mr. C.D. Powell

(Mr. Dean)

Mr. P. Bean)

CONTACT POINT AT WADDESDON:

Mrs. J. Dibblin

Tel. 0296 651 211 Fax. 0296 651 293

WET WEATHER PROGRAMME

IN THE EVENT OF NO-GO, THE RAF WILL TELEPHONE NO. 10 AT 0630 A.M.

TELEPHONISTS PLEASE INFORM DUTY CLERK, MRS. DIBBLIN and all participants.
FOREIGN SECRETARY'S CONTACT POINT: Resident Clerk, FCO.

0745 Depart No.10

Car 1
Prime Minister
Mr. C.D. Powell

Car 2 Mr. B. Ingham Mrs. A. Allan Mrs. J. Dibblin

(Mr. Dean)

(Mr. Rumble)

jd c:waddesdon

LIST OF GUESTS ATTENDING THE LUNCHEON TO BE GIVEN BY THE PRIME MINISTER IN HONOUR OF HIS EXCELLENCY MONSIEUR FRANCOIS MITTERRAND, PRESIDENT OF THE FRENCH REPUBLIC AT WADDESDON MANOR ON FRIDAY, 4 MAY 1990 AT 1.30 PM FOR 1.45 PM The Prime Minister His Excellency Monsieur Francois Mitterrand His Excellency Monsieur Roland Dumas Foreign Minister His Excellency Monsieur Jean-Pierre Chevenement Defence Minister Vice Amiral Jacques d'Escadre Lanxade Armed Forces Counsellor to the President of the French Republic His Excellency the Ambassador of the French Republic Monsieur Jacques Attali Special Counsellor to the President of the French Republic Monsieur Hubert Vedrine Adviser and Spokesman for the President Rt Hon Douglas Hurd, MP Rt Hon Tom King, MP The Lord Rothschild and The Lady Rothschild Sir Ewen Fergusson Mr. Charles Powell Mr. Bernard Ingham

Monsieur Jacques Attali

Mr. Charles Powell

Rt Hon Tom King

The Lady Rothschild

HE Monsieur Jean-Pierre Chevenement

Monsieur Roland Dumas

PRIME MINISTER

Rt Hon Douglas Hurd

HE Monsieur Francois Mitterrand Vice Amiral Jacques d'Escadre

Lanxade

The Lord Rothschild

Sir Ewen Fergusson

HE The Ambassador of the French Monsieur Hubert Védrine Republic

Mr. Bernard Ingham

Double Doors open on to Conservatory

Draft of Anglo/French Summit Communiqu§ to register our intention to strengthen security cooperation

The President of the Republic and the Prime Minister agree that, at a time of profound change in East West relations, France and Great Britain should cooperate more closely on security and defence matters.

They have accordingly asked their Foreign and Defence Ministers to supervise an enhanced programme of cooperation on all these issues, with particular emphasis on future security arrangements in Europe.

They see this as a long term effort, with three goals;

- First, to ensure that the opportunties for the further development of East-West relations are purused, in conjunction with allies and partners, in ways which increase long term stability in Europe.
- Second, to make the fullest possible contribution to the security of Western Europe at a time of uncertainty and potential instability as well as hope for a safer and freer Europe;
- Third, to develop cooperation between their armed forces, building on similarities in outlook and structure.

They received a report from Foreign and Defence Ministers on these issues and agreed to review progress at their next meeting. ANGLO-FRENCH SUMMIT, 4 MAY: PERSONALITY NOTES

FRANCOIS MITTERRAND GCB, PRESIDENT OF THE REPUBLIC

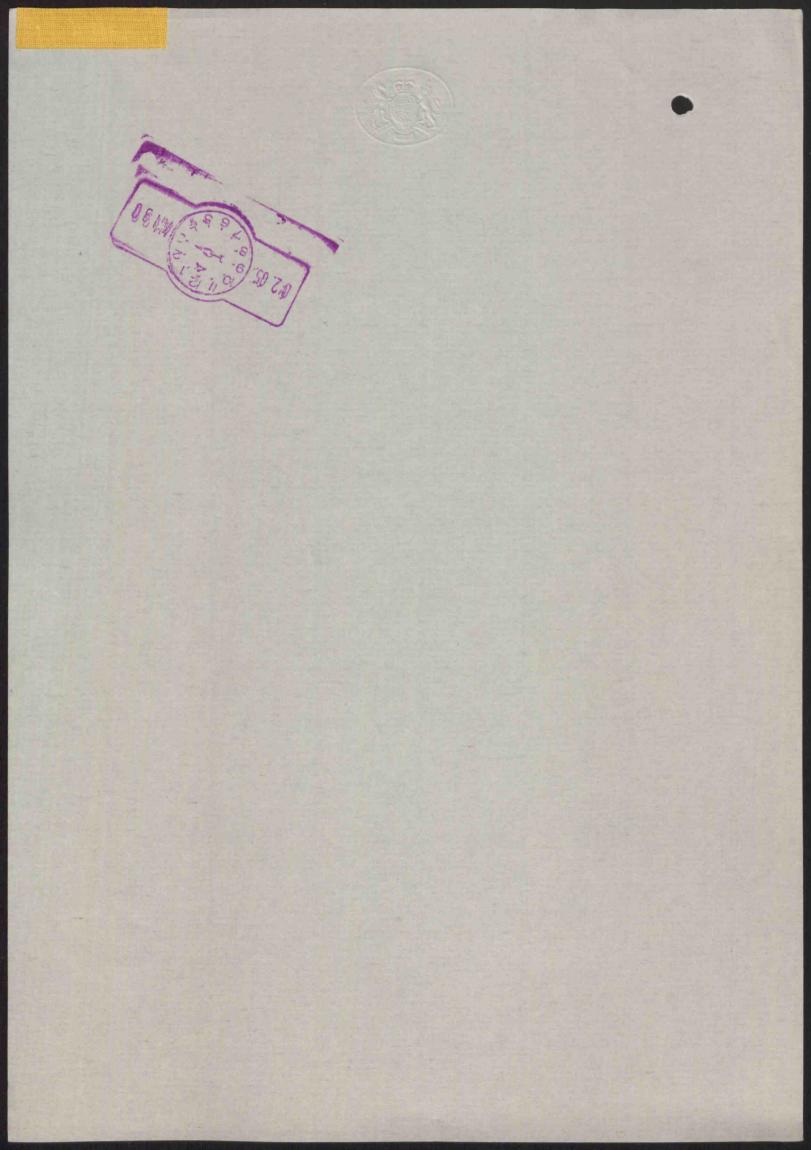
1. Born 1916. One of the few French politicians to oppose General De Gaulle's return to power in 1958. Elected President in 1981, and re-elected in 1988. Mitterrand has made the PS the dominant force on the French left. His tactical skills showed during the long period of opposition and of difficult relations with the Communist Party. As President, he has sought to appear aloof from Party politics, but still exerts influence behind the scenes. Since his re-election, he has generally enjoyed high popularity ratings. He does not speak English.

ROLAND DUMAS GCMG, FOREIGN MINISTER

2. Born 1922. Like Mitterrand, Dumas fought in the Resistance but voted against the establishment of De Gaulle's Fifth Republic. One of Mitterrand's closest political allies and rare confidants (he is his personal lawyer). Dumas has combined politics with a successful career at the Paris Bar. He also has a passion for art: he was Picasso's lawyer and played a key role in resolving the complex dispute over the artist's estate. He suffers from back problems and it was rumoured last year that he wanted to resign as Foreign Minister. A gifted linguist with quite good English.

JEAN-PIERRE CHEVÈNEMENT, DEFENCE MINISTER

3. Born 1939. Chevènement is on the left of the PS and has had his differences with Mitterrand. He sets great store by Republican values and is a strong nationalist, sound on defence and sceptical about European federation. He is leery of German unification. He favours an "autonomous" European defence system, centred on the British and French nuclear deterrents. He understands simple English but does not speak it.



POINTS OF AGREEMENT AND QUESTIONS FOR MINISTERIAL

DISCUSSION JOINTLY DRAFTED BY OFFICIALS

(latest draft)

- I SECURITY ASPECTS OF THE UNIFICATION OF GERMANY (DISCUSSIONS BETWEEN THE 6)
- 1. We agree that:
- in particular we should not accept Soviet demands to negotiate in the discussions between the 6 limits (a) on the Bundeswehr, (b) on the stationning of Western forces in Germany, (c) on the presence of NATO nuclear weapons in Germany. Solutions to these questions should be found in the more general framework of disarmament negotiations (Vienna or SNF negotiations between the relevant allies);
- in the framework of the Ottawa Group we should adhere to the Helsinki principles, in particular:
 - * the principle of sovereignty which prevents the imposition of any special statute for Germany,
 - * the right of Germany to belong, or not to belong, to a security alliance
- progress on unification should not be conditional on any other negotiation, or on the transformation of Western defence structures;
- 2. Questions for Ministerial discussion
- How to convince the Soviet Union that its security concerns will be taken into account in the context of disarmament negotiations and in the development of certain models of European Security cooperation?

- by the opening of a new negotiation (CFE II) immediately after signature of the CFE Treaty (but without delaying that Signature), which will eventually take into account manpower levels?
- by specific measures for the GDR, falling short of creating a zone subject to special statute?
- by arrangements for the withdrawal of Soviet troops from GDR which will be agreed between Germany and the Soviet Union?
- by the unilateral reaffirmation by Germany not to produce ABC weapons?
- by the strengthening of the CSCE process, including a certain institutionalisation (regular meetings, crisis handling centre etc) and by agreeing that the Group of Six will report on its deliberations to the CSCE Summit?
- II. THE FUTURE OF CONVENTIONAL ARMS CONTROL
- 1. We agree that:
- the momentum should be continued post-CFE;
- the CSCE Summit should be the occasion for laying down guidelines for further work, with minimum adjustments to the CFE mandate;
- 2. Questions for Ministerial discussion
- What should be the objectives of arms control:
 - * ceilings on manpower?
 - * further reductions across the board in existing or new TLE categories?
 - * a special focus on central Europe as part of the security context of a possible complete withdrawal of Soviet forces back to the Soviet Union?

What form should these new measures take: treaty imposed limitations or unilateral commitments? III. FUTURE FORCE STRUCTURES 1. We agree that: changes in Europe require us to look again at our security arrangements; to this end, two objectives should be pursued: * to maintain the transatlantic security link, and thus the presence of American forces in Europe, including Germany, * to allow the development of cooperation between European forces, including in Germany. in this respect an intensified cooperation between European forces, including in multinational form, could be a positive factor. Questions for Ministerial discussion How to strengthen European military cooperation? How, in parallel, to set about the renewal of existing Western security systems, whilst preserving a permanent transatlantic link and the presence of American forces in Europe? More specifically, can Western defence structures evolve in such a way as to maximise the defence efforts of the various allies in the conventional field? What role in this respect can cooperation play, including the idea of multinationality?

NUCLEAR ISSUES IV. 1. We agree that: nuclear deterrence should be preserved and requires a suitable mix of strategic and sub-strategic systems; it is important to retain European public support for deterrence, and the presence of nuclear weapons in Europe, including in Germany. 2. Questions for Ministerial discussion How best to guarantee support for nuclear deterrence in Europe? Should the European role of British and French nuclear systems be emphasized by developing or updating the nuclear section of the WEU platform to take on board minimum deterrence? By playing up the need for a European as well as an American element in the deterrence equation? What line to take on land based American missiles, given German opposition: negotiation (to equal levels or zero) or unilateral abandonment? Can we exploit apparent Soviet interest in the concept of "minimum nuclear deterrence" to engage them in bilateral discussion of our version of minimum deterrence? V. BILATERAL DEFENCE COOPERATION 1. We agree that: bilateral defence cooperation is extensive, but can still be improved. the public perception of it does not match the reality.

2. Questions for Ministerial discussion

- What are the most promising areas in developing cooperation: participation in exercises, extra-European as well as European; reciprocal use of training areas and establishments?
- How can we best increase public awareness of the considerable practical cooperation that exists?
- How to ensure that this cooperation can strengthen broader European security cooperation?