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Mr Mhm

10 DOWNING STREET

LONDON SW1A 2AA

ANGLO-FRENCH SUMMIT, WADDESDON, 4 MAY
RECORD OF PLENARY SESSION

The Prime Minister said that she and President Mitterrand had discussed the changes in the Soviet Union, where President Gorbachev's position had been weakened by the enfeebled state of the economy and by growing separatism on the part of the Republics. But it remained in Britain's and France's interest to continue to do everything possible to support him. The Soviet military, concerned about the erosion of their prestige, were asserting themselves. One result was that we were unlikely to see more arms control initiatives from the Soviet side for the time being: the West would be in the lead. On Lithuania both countries recognised the Lithuanians' right of self determination, having never recognised Lithuania's annexation by the Soviet Union. At the same time, both recognised the importance of not undermining the Soviet government. Thus both would continue to say that we understood the clear views of the Lithuanian people but hoped that progress could be made through discussion and dialogue. There had been discussion at the Dublin European Council of humanitarian aid to Lithuania and this would need to be kept under review. President Bush had seen the Lithuanian Prime Minister, Mrs Prunskiene, not as Prime Minister but just as an elected representative. She would also meet her in London in this capacity and we had forewarned the Soviet Union.

The Prime Minister said that she and President Mitterrand had discussed the NATO Summit and agreed that it should be held in London towards the end of June. They wished it to reaffirm the importance of US forces and US nuclear weapons remaining in Europe. Our preference would be to adhere to the Comprehensive Concept and not to begin SNF negotiations until the implementation of conventional arms reductions had begun, although preparations for SNF negotiations could start before then. However President Bush was likely to support bringing forward the opening of negotiations.

The Prime Minister continued that the President and she had also discussed wider European strategy. They had agreed that the four key institutions, the EC, NATO, Council of Europe, and CSCE, each had its specific purpose. NATO was essential to preserve the trans-Atlantic link in defence. On the EC, they had discussed President Mitterrand's idea of a wider European

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confederation as well as association agreements with East European countries. There was also scope to give the CSCE a wider role.

The Prime Minister said that she and the President had also discussed increasing bilateral defence cooperation: in a period of uncertain developments such cooperation could enhance stability. There might be a case for issuing a joint statement on this: she understood that a draft had been prepared.

They had also discussed the EBRD and the IMF. The UK had expressed its support for Mr Ruding as President of the EBRD before M Attali's candidature was known. But it would suit Britain well to have the EBRD sited in London, with M Attali as President and for Britain and France to share equal fourth place in the IMF. The two countries shared the same objectives but it was not certain how they could be achieved, given other partners' views. As for the IMF, the UK had already given away some of its quota to Japan and had no more to yield; perhaps other partners would give up some of their quotas.

President Mitterrand agreed with the Prime Minister's account. Some questions discussed would need further consideration eg arms control negotiations and how President Bush's ideas on SNF in Germany could be combined with conventional disarmament. He and the Prime Minister had both considered that the latest proposals raised questions of substance and of timing. Was it reasonable to decide on this before a CFE agreement? In a few months' time one might have a clearer idea of Soviet developments, in particular the position of President Gorbachev.

President Mitterrand said that he and the Prime Minister had also discussed Germany, the GDR's future position with regard to NATO, Polish concerns and other questions. He agreed that the EBRD and IMF issues might be settled as the Prime Minister had suggested, provided that other partners agreed. There had only been a brief discussion of Anglo-French defence and procurement cooperation, where there had been little progress over the last few years. Now the changing situation in the Alliance meant that conditions were more favourable.

The Prime Minister said that on EC issues both sides had agreed that the Council of Ministers should be strengthened as the main decision-taking body in the Community. President Mitterrand agreed that there was no differences between us on this point, although the two sides had different ideas of the content of political union.

The Foreign Secretary said that he and M Dumas had discussed the 2+4 meetings and had agreed that there should be a full cycle of six Ministerial meetings in the different capitals. We should let Mr Shevardnadze express his anxieties, although some questions he might raise would be for decision elsewhere. The 2+4 forum was a valuable sounding board for the Soviet Union to raise its concerns. The two Ministers had also discussed Polish anxieties; they agreed that the Poles were justified in wanting a

treaty on the border, which had now been agreed, and to be present at 2+4 meetings discussing it. They could probably be present at the third 2+4 Ministerial meeting in Paris in July. We could let the Polish Foreign Minister have his say and not limit him to discussion of the frontiers.

On Lithuania the Foreign Secretary said that his discussion with M Dumas had been on the same lines as the Prime Minister's with the President. They had judged that there was no real need for humanitarian assistance at present: medicines were in short supply, but this was the case everywhere in the Soviet Union. If real needs were identified later, these could best be met by NGOs, eg the Red Cross. He had mentioned Mrs Pruniskene's visit to London. On the Soviet Union, M Dumas had said that Gorbachev seemed to have his back to the wall. This confirmed what Mr Baker had said in Brussels on 3 May and impressions received from other sources.

The Foreign Secretary said that he and M Dumas had discussed political union and the follow-up to the Dublin Informal Council. He had read M Dumas' speech of 10 April to the National Assembly and identified points where British and French views converged: there were other points where they did not. Britain and France agreed on the central role of the European Council, on strengthening the responsibilities of national parliaments and financial control. The British side was working on ideas in these areas and the two Ministers had agreed that, when French ideas were clearer, British and French officials should be in touch in the run-up to the Dublin EC Council.

The Foreign Secretary said that the joint meeting of Foreign and Defence Ministers had discussed President Bush's speech of 4 May, the consequences for nuclear weapons in Europe and for the START negotiations. They would remain in close touch. They had agreed that British and French strategic forces were at a minimal level and were not to be called in question by present or future US/Soviet nuclear negotiations.

Turning to South Africa the Prime Minister said both she and President Mitterrand would be seeing President de Klerk shortly. It was important to push negotiations in the right direction. She would be seeing Mr Mandela on 3 or 4 July. On his first visit to the UK he had been fairly disobliging. But he was quite a key player on the future of South Africa; and despite his ritual statements about armed struggle, nationalisation, and sanctions, she believed he was in practice committed to a peaceful solution. She looked forward to seeing him. She believed that Mr de Klerk would also take the right path. There were many difficulties ahead, with different views on the kind of structures to be built up. But it was right to encourage inward investment in South Africa, the only route to greater prosperity, and to try to bring Mr de Klerk out of his international isolation.

President Mitterrand agreed that Mr de Klerk had made certain steps in the right direction. We should not be more

rigid than the ANC or Mr Mandela. He confirmed that he would be seeing Mr de Klerk in Paris. The South Africans must go further to end apartheid, and this would be very difficult. It was important to encourage them and help them out of their isolation. M Dumas noted that Britain and France had been in a minority of two in wishing to end the EC inward investment ban on South Africa.

M Dumas said that he and the Foreign Secretary had also discussed the CSCE Summit to be held towards the end of the year, probably in Paris, provided that agreement on CFE had been reached in Vienna. They had discussed whether it would be better to press for an agreement on the all the points in the Western negotiating position or to conclude on the basis of what was already agreed. They had agreed that this could only be decided in the circumstances nearer the time.

M Dumas said that on visas for East Europeans, both Ministers were in negotiation with their Interior Ministries. They had agreed that visas should be abolished for the GDR since the present situation was absurd.

M Chevenement said that Defence and Foreign Ministers had agreed on a draft Summit Communique on Anglo-French defence cooperation. The two Defence Ministers had also agreed on a more technical press release, concerning the development of cooperation, joint exercises, CFE verification, AWACS etc.

The Defence Secretary confirmed that the two Defence Ministers had produced a paper on the development of Anglo-French defence cooperation, showing that this was now going extremely well in a wide range of areas, including personnel exchanges, training, exercises, procurement and defence industry. In the nuclear area, the UK was examining the ASMP option as an alternative to the US TASM and there were other projects under consideration. The two sides were looking at cooperation on a frigate. Cooperation on counter-mine operations in the Channel was sensible. Existing out-of-area cooperation could be developed. The two sides were also looking at more use of each other's territory for training. The two Ministers had produced a report on progress and a statement for the press.

M Chevenement said that over the last year there had been a qualitative and quantitative increase of collaboration. There had been a remarkable intensification in the fields of armaments, research, exercises and exchanges.

The Prime Minister expressed her concerns about current talk of "CFE II" even before the CFE agreement had been concluded or digested. She supposed that France, like Britain, would not wish its basic defence philosophy, including its responsibilities out-of-area, to be affected by such talk. It would be difficult enough for the Soviet Union to carry out its obligations under the present CFE agreement; it would also have to withdraw its forces from Czechoslovakia, Hungary etc. She asked for French views of "CFE II".

M Dumas agreed that this was a difficult area. In CFE there were difficult problems eg over aircraft. He and Mr Hurd had discussed whether it would be right to leave some questions from the present CFE negotiations to a future negotiation. The issues were not yet ripe. The CSCE Summit would need to consider a mandate for future negotiation.

The Foreign Secretary agreed that difficult decisions would need to be taken during the summer. There had been a hardening of Soviet position: as well as the aircraft issue, Mr Shevardnadze had made difficulties over the sufficiency rule. If the Russians played hard, we would be faced with a difficult choice between signing what was already agreed and leaving over other matters for future negotiations, or having no agreement. We could not yet decide on this. Another issue was the strength of the Bundeswehr. The Soviet Union would press for a limit in 2+4, but the Germans would say that there should be no special limit and that national force limits could be considered in a subsequent CFE round.

M Chevenement said that there were different views on "CFE II". Some envisaged it as a consideration of issues postponed from CFE I, eg aircraft. Others envisaged more radical reductions, eg the halving of the limits fixed by CFE I. But CFE I already involved a 60 per cent cut of Soviet arms. General Moiseev had said that this would require seven or eight years to implement. Another question was the area of implementation. If "CFE II" was confined to the Atlantic-to-the-Urals zone, it would leave out most Soviet and all US territory. It would be easy for the Russians to mass their forces East of the Urals, or to pull forces back from Asia.

The Prime Minister said that there were already reports of the Soviet Union pulling forces back behind the Urals so as to avoid CFE constraints. This would be a major circumvention of the agreement.

The Prime Minister asked about French views on the proposed Human Rights Conference in Moscow in 1991. The UK had said that it would not attend unless the human rights situation in the Soviet Union had improved considerably. We had not yet decided on its position: it depended on developments in the USSR.

M Dumas said that France had not yet taken a decision either. However, he had agreed with Mr Baker that there was a need for balance: all baskets of the CSCE needed to advance. There was still need for progress on human rights, eg free elections. The CSCE Summit needed to look at all this.

President Mitterrand said that we must take a more optimistic attitude. There had been a positive evolution in the Soviet Union and we should wager on its continuation. France intended to attend the Moscow Conference and it would require grave events, a fundamental compromise of human rights, to prevent French attendance. Developments in all the East European countries were positive, there was a real contagion of democracy. Naturally in Russia change would take longer. The Prime Minister

agreed that we must be hopeful.

President Mitterrand said that although he was in complete agreement with the draft communique on defence cooperation and was happy for the Prime Minister to use it all in her remarks to the press, he would prefer not to make it a formal joint communique. It was only a partial account of our cooperation. He had been disillusioned with joint communiqués by his experiences in Eastern Europe before recent reforms and by the last Franco-German Summit. The Prime Minister agreed with this approach.

The meeting ended at 1245.

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10 DOWNING STREET
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From the Private Secretary

5 May 1990

Dear Sir,

ANGLO-FRENCH SUMMIT: PLENARY SESSION

I enclose the record of the Plenary Session of the Anglo-French Summit at Waddesdon on 4 May. I am grateful to Mr. Cox for providing a draft.

I am copying this letter to John Gieve (H.M. Treasury), Simon Webb (Ministry of Defence), Martin Stanley (Department of Trade and Industry) and Sonia Phippard (Cabinet Office).

*Yours sincerely,
C. D. Powell*

C. D. POWELL

J.S. Wall, Esq.,
Foreign and Commonwealth Office.

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Foreign and Commonwealth Office

London SW1A 2AH

4 May 1990

CR

Dear Charles

Anglo-French Summit: Plenary Session

I enclose our draft record of the plenary session of today's Summit.

Yours
Sue
for (J S Wall)
Private Secretary

C D Powell Esq
10 Downing Street

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