

282027Z  
FOR PRIVATE OFFICE  
COMMENT:

CONFIDENTIAL

FM PARIS  
TO DESKBY 280800Z FCO  
TELNO 1238  
OF 271803Z NOVEMBER 91  
INFO IMMEDIATE BONN

FRAME GENERAL

MIPT: PRIME MINISTER'S MEETING WITH MITTERRAND, 2 DECEMBER:  
EUROPEAN AFFAIRS: DETAILED DOSSIERS

1. THE MAKE-OR-BREAK DOSSIERS FOR THE FRENCH ARE:

EMU

- THE OPT-OUT CLAUSE. GIVEN THEIR WEAK PARLIAMENT, THE FRENCH ARE NOT WORRIED ABOUT HOW THEY WOULD HANDLE DOUBLE RATIFICATION. BUT THEY ARE TERRIFIED THAT THE GERMANS WOULD MAKE USE OF A GENERALISED CLAUSE. FOR REASONS OF THEIR OWN, THE GERMANS HAVE ENCOURAGED THAT FEAR. THE FRENCH ARE THEREFORE ONLY LIKELY TO GIVE WAY IF WE AND BONN CAN COME UP WITH A SOLUTION WHICH BALANCES GERMANY'S NEED FOR CONSTRAINTS ON ITSELF (AND OTHERS) AGAINST FREEDOM FOR US. ON ALL OTHER EMU POINTS, FRENCH OFFICIALS SEEM TO BE UNDER INSTRUCTION TO REACH AGREEMENT WITH THE GERMANS, ALTHOUGH THIS HAS NOT YET BEEN FULLY ACHIEVED.

THE SOCIAL VOLET

- THE SOCIAL DIMENSION IS A BASIC FEATURE OF MITTERRAND'S PERSONAL VISION OF EUROPE'S 'HUMAN FACE'. IN SEEKING TO EXTEND TO THE EUROPEAN LEVEL SOME OF FRANCE'S EXTENSIVE SOCIAL PROTECTIONS, THE PRESIDENT HAS SOUGHT TO BUFF UP HIS SOCIALIST CREDENTIALS AT HOME WHILE UNDERMINING THE LOW-LABOUR COST ADVANTAGES OF FRANCE'S COMPETITORS. HE HAS WIDESPREAD SUPPORT IN FRANCE FOR THIS, AND HIS POSITION IS THEREFORE DEFINED BY POLITICAL AS MUCH AS BY PRACTICAL NEEDS. SO IN SPITE OF MME GUIGOU'S INFLEXIBLE LINE DURING THE MINIMAL DISCUSSION OF THIS DOSSIER IN THE IGC, IT IS DIFFICULT TO IMAGINE THAT THE FRENCH WOULD RISK THROWING AWAY THE KEY OBJECTIVE OF EMU BY INCURRING A BRITISH BLOCK ON THE SOCIAL VOLET AND HENCE EPU AS A WHOLE. IF FACED WITH SUCH A CHOICE, I BELIEVE THE FRENCH WOULD BE PREPARED TO LOOK FOR SOMETHING WHICH GAVE A PUBLICLY DEFENSIBLE APPEARANCE OF PROGRESS WITHOUT THE SAME DEGREE OF UNDERLYING SUBSTANCE. GIVEN THEIR TENDENCY TO MAKE DEALS LATER RATHER THAN SOONER, I DOUBT IF ONE WILL BE ABLE TO DRAW THEM NOW INTO A DETAILED DISCUSSION OF POSITIONS WHICH ARE BELOW THEIR STATED BOTTOM LINE. BUT BY SHOWING THEM CLEARLY WHAT OUR LIMITS REALLY ARE, WE MAY GET THEM STARTED THINKING ABOUT IT.

DEFENCE

- MITTERRAND ATTACHES GREAT IMPORTANCE TO MAASTRICHT GIVING THE EUROPEAN COUNCIL COMPETENCE ON DEFENCE FOR TWO MAIN REASONS. FIRST, HE DOES NOT BELIEVE EUROPE WILL EVER BECOME AN INTERNATIONAL POWER CAPABLE OF DEALING AS AN EQUAL WITH THE US WITHOUT AN INDEPENDENT DEFENCE CAPACITY. EQUALLY IMPORTANT, HE WANTS GERMANY LED INDISSOLUBLY INTO EUROPEAN DEFENCE STRUCTURES TO PREVENT FUTURE ADVENTURISM (NATO'S LONG-TERM FUTURE BEING, IN HIS EYES, UNCERTAIN).

- MITTERRAND ACCEPTS THAT, FOR THE TIME BEING, THIS DEFENCE COMPETENCE MUST BE IMPLEMENTED THROUGH THE WEU. HIS OFFICIALS WILL TRY UP TO THE LAST MINUTE TO INSERT INTO THE TREATY AND ACCOMPANYING WEU DECLARATION AS MUCH PREJUDICIAL LANGUAGE AS POSSIBLE FROM THE FRANCO-GERMAN PAPER OF 14 OCTOBER ON LINKS BETWEEN THE POLITICAL UNION AND WEU MEMBERSHIP, WHILST MINIMISING REFERENCES TO NATO. BUT PROVIDED HE ACHIEVES THE EUROPEAN DEFENCE SIGNPOST AND THE PROSPECT OF FUTURE DEVELOPMENT, MITTERRAND WILL NOT DIE IN THE DITCH FOR SUCH DETAILS.

- THE CREATION OF EUROPEAN DEFENCE FORCES HAS BEEN KICKED INTO 1992. MITTERRAND ARGUES THAT THE ROME NATO SUMMIT GAVE THE NECESSARY GREEN LIGHT TO SUCH A DEVELOPMENT PROVIDED THAT IT WAS COMPATIBLE WITH NATO. TRANSLATING THIS RHETORIC INTO REALITY ON THE GROUND WILL BE A MAJOR CHALLENGE, BUT ONLY AFTER MAASTRICHT.

## SECOND ORDER ISSUES

2. WITH THE EXCEPTION OF INDUSTRY, THE FRENCH LAY LESS IMPORTANCE THAN THE GERMANS ON MOVING 'FORWARD' ON THE FOLLOWING ISSUES:

### CFSP

- MITTERRAND DOES NOT SEEM TO BELIEVE THAT OPERATION OF QMV WOULD NECESSARILY IMPINGE ON FRANCE'S VITAL NATIONAL INTERESTS: ON THE CONTRARY, SUCH A VOTING SYSTEM WOULD ENABLE THOSE INTERESTS TO BE PROJECTED ONTO EUROPEAN LEVEL. THE FRENCH JUDGE THAT SEPARATION OF CFSP INTO SEPARATE COOPERATION AND JOINT ACTION BOXES WOULD ENABLE FRANCE TO PRESERVE ITS NATIONAL ROOM FOR MANOEUVRE. THEY REGARD OUR VIEWS ABOUT THE IMPRACTICALITY OF SUCH AN ARRANGEMENT AS BEING UNDULY LEGALISTIC: THEY THEREFORE EXPECT US TO GIVE GROUND IN THE END PROVIDING WE CAN OBTAIN ASSURANCES OF THE PRIMACY OF UNANIMITY ON BASIC POLICY AND THE RESTRICTION OF QMV TO TIME-LIMITED IMPLEMENTATION. THEY THEMSELVES WOULD WELCOME THIS, ALTHOUGH THEY WILL NOT ARGUE FORCEFULLY FOR IT IN PUBLIC.

### INDUSTRY

- THE INDUSTRY CHAPTER HAS MOVED HIGHER UP FRANCE'S LIST OF PRIORITIES FOR MAASTRICHT FOR DOMESTIC REASONS: UNEMPLOYMENT, THE ELUSIVE ECONOMIC RECOVERY, IRRITATION WITH THE COMMISSION OVER THE DE HAVILLAND DECISION, AND CONTINUED CONCERN ABOUT COMPETITION FROM JAPAN IN KEY INDUSTRIAL SECTORS (ELECTRONICS AS WELL AS CARS). THE FRENCH THEREFORE WANT AN INDUSTRY TEXT TO USE AGAINST THE COMPETITION COMMISSIONER AND TO LEAVE OPEN THE POSSIBILITY OF ASSISTANCE TO QUOTE STRATEGIC INDUSTRIES UNQUOTE. THEY HAVE GONE TO CONSIDERABLE TROUBLE TO ALLAY INITIAL GERMAN OPPOSITION BY CLAIMING THAT THIS DOES NOT AMOUNT TO THE BACKING OF EURO-CHAMPIONS NOR THE INVOLVEMENT OF EXTRA EC EXPENDITURES. THEY MAY HAVE WON A LIMITED SUCCESS AT THE FRANCO-GERMAN SUMMIT.

### IMMIGRATION

- THE FRENCH HAVE MOVED SOME WAY, AND NOW ACCEPT THE PRINCIPLE OF AT LEAST A LIMITED EXTENSION OF COMPETENCE FOR IMMIGRATION AND RELATED ISSUES. THIS IS PART OF THE PRICE THEY ARE WILLING TO PAY FOR AN OVERALL AGREEMENT, NOT LEAST BECAUSE OF THE IMPORTANCE THE GERMANS ATTACH TO IT. BUT IT WILL NOT BE A LARGE PRICE: FRANCE HAS LONG BEEN RESIGNED TO CREEPING COMPETENCE IN THIS AREA, SO IT WOULD HAVE LITTLE DIFFICULTY IN AGREEING TO SOMETHING WHICH IT REGARDS AS INEVITABLE IN THE LONG TERM. THERE ARE EVEN ADVANTAGES: AS WITH THE GERMANS, THE COMPETENCE ARGUMENT COULD ENABLE FRANCE TO TAKE DIFFICULT DECISIONS ON IMMIGRATION WHICH MIGHT BE UNPALATABLE DOMESTICALLY. THAT SAID, FRANCE WOULD CERTAINLY NOT HOLD OUT ON THIS ISSUE IF THE GERMANS AND WE WERE ABLE TO REACH AGREEMENT.

## POWERS FOR THE EUROPEAN PARLIAMENT

- THE FRENCH ONLY PAY LIP-SERVICE TO THE NEED TO STRENGTHEN THE EP. THEY ARE NOT WORRIED ABOUT POSSIBLE OBJECTIONS TO THE REVISED TREATIES BY MEPS. THEY WILL ONLY GO AS FAR AS THE GERMANS OBLIGE THEM. ON THIS ISSUE ABOVE ALL, THE KEY FOR US LIES IN OUR WINNING IN BONN.

## COMPETENCE

- THE FRENCH ARE IN GENERAL SUSPICIOUS OF THE COMMISSION'S EXPANSIONIST TENDENCY AND ARE INCLINED TO RESIST FURTHER ENCROACHMENT EXCEPT IN THOSE SPECIFIC CASES WHERE IT MIGHT HELP WITH PARTICULAR DOMESTIC PROBLEMS (EG THE SOCIAL DOSSIER AND IMMIGRATION).

## COHESION

- THE FRENCH SUPPORT THE NORTHERN LINE, ALTHOUGH THEY ARE OPENLY SYMPATHETIC TO SPANISH PROBLEMS AND WOULD BE PREPARED TO ACCEPT A FORMULA WHICH GIVES A BIGGER NOD IN THE DIRECTION OF AN INCREASED EC BUDGET THAN WE WOULD LIKE. EVEN IN THE TRESOR THERE IS RESIGNED ACCEPTANCE THAT NEXT YEAR'S FUTURE FINANCE NEGOTIATION WILL LEAD TO A LARGER BUDGET BECAUSE OF THE COSTS OF COHESION AS WELL AS OF CAP REFORM. BUT THEY ARE MORE WORRIED THAN THEY WERE ABOUT FRANCE'S GROWING NET CONTRIBUTION, AND WILL BE REASONABLY SENSITIVE TO OUR ARGUMENTS.

## FEDERALISM

- THE FRENCH ARE NOT WEDDED TO THE CURRENT FORMULA, ALTHOUGH THEY WOULD LIKE TO EXACT A PRICE FROM US FOR DROPPING IT. FOR THEM, REFERENCE TO 'LA VOCATION FEDERALE' IS TO A DEBATE WHICH WAS COMPLETED LONG AGO IN FRANCE: ITS ACCEPTANCE DOES NOT IN THEIR VIEW CONTRADICT THE CONTINUED EXPRESSION OF FRENCH NATIONAL SOVEREIGNTY. THEY CANNOT SAY WHY: IT IS SIMPLY SO.

## FERGUSSON

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ADVANCE	20	
.FRAME GENERAL		1
PS		1
PS/PUS		1
MR BAYNE		1
MR JAY		1
HD/ECD(I)		3
HD/NEWS D		1
MR L PARKER CABINET OFFICE		1
MR D A HADLEY CABINET OFFICE		1
MR B BENDER CABINET OFFICE		1
MS S MACLAREN CABINET OFFICE		1
MR N L WICKS HMT		1
MR H P EVANS HMT		1
MR BOSTOCK HMT		1
MR KROLL HMT		1
MR C ROBERTS DTI VIC ST		1
PERMAMENT SECRETARY MAFF		1
RESIDENT CLERK		1
MAIN	394	
.FRAME GENERAL		393
ECD(I) [-]		1
ADDITIONAL	1	
FRAME		1