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No German - no deal.
Type to be granted.

PRIME MINISTER

YOUR TALKS WITH PRESIDENT MITTERRAND: 2 DECEMBER

I attach the FCO brief for your meeting with President Mitterrand on Monday. Because of the conclave on that day, on our side you will be backed up by Sir Robin Butler, Andrew and me.

President Mitterrand is due to arrive at No 10 at one o'clock and leave again at 3 o'clock. All the discussion will take place over lunch.

The main subject will be the European Council but it has also been agreed that you will need to talk about Libya, Yugoslavia, the Soviet Union and GATT.

I had talks in Paris with Pierre Morel and others at the Elysee today. I got no sense that the French are committed to trying to help achieve a success in the way that Kohl is. But, as Ewen Fergusson has reported (see folder), they need an agreement so they will manoeuvre.

On the two areas where their thinking is close to ours (powers of the European Parliament and foreign policy) they will not hinder but they will equally not help. They can live with the Presidency's list of subjects to be covered by the negative assent procedure. They see no need for a national let out clause on foreign policy. They are happy to accept majority voting on implementing decisions. If we can win our points on all these issues the French will probably be quietly pleased but we will fight alone.

On defence I think we made some progress, as with the Germans. John Goulden explained in detail our difficulties with the Franco-German text pointing out in particular:

- i. CFSP should not include defence from the start: but we could accept: "the longer term perspective of a common

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defence policy compatible with the common defence policy that certain member states already have in the Atlantic Alliance;

ii. There should be a clear reference to compatibility with the Alliance (see above);

iii. The WEU should not be subordinated to the Union (for example, obliged to act "in conformity with European Council Directives". But we could say that the WEU should act consistently with policies of the Union (as of the Alliance).

I We got the impression that the French could see that it was worth negotiating and I think they will so recommend to President Mitterrand. It is equally clear to me that this is an area where negotiation among Heads of Government at Maastricht itself would very quickly get acrimonious, so the more we can clear the undergrowth beforehand, the better. I think that if you make a pitch to President Mitterrand on Monday suggesting that there is scope for progress if our officials can get to work now, there is a fair chance he will agree.

X On interior-justice issues the French thinking is not very far from our own, except that they can live with the immigration matters set out in Article 100C, not least because they see them as constraining what may otherwise be much more extensive Commission action under Article 8A.

The really difficult issues will be social policy, industry and EMU. President Mitterrand cannot return from the European Council without texts on social policy and industry. The French will be flexible over the drafting but I do not believe they will be willing to come away completely empty-handed.

On EMU, the French dislike the general no-coercion clause. I floated the Belgian\Luxembourg alternative, and they did not rule it out.

Despite the differences I think it should be possible to give Mitterrand the impression that an agreement is possible at Maastricht. You may also want to give him some of the political flavour at home. If Ewen Fergusson is to be believed, Mitterrand's socialism does not extend to wanting a Labour Government in Britain.

On Yugoslavia, the French are worried by the German rush to recognition. They see the establishment of a UN peace-keeping force as one constraint. You may want to indicate that recognition is inevitable sooner or later but perhaps not be explicit that we may be willing to see it happen some time between Maastricht and Christmas.

On Libya, the French do not favour action in the G7. They believe that this will be seen as a hostile action by the third world. We would not then be able to extend the coverage of any airline ban beyond the G7 and the ban would therefore be useless. They believe that it is both necessary and possible to go the UN route. They are aware of our views, which have been discussed with them since OPD(T). The brief gives a satisfactory line to take, making clear that we do not share the French judgement but showing willingness to explore the UN route further.

On the Soviet Union, President Mitterrand will revert to his idea of discussions between ourselves, the French and the Americans on the one hand, and the Soviet authorities on the other on control of nuclear weapons.

This idea has moved on since it was first mooted and I think now has real possibilities. President Mitterrand attaches importance to it and it would be helpful to the atmosphere if you could give him a reasonably positive hearing.

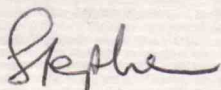
The French say that Mitterrand has told Gorbachev (and that Gorbachev has accepted) that there can be no discussion on disarmament involving putting the French and British deterrents

on the table. What the French want is a discussion of the control of nuclear weapons within the Soviet Union. That discussion would be with both the centre and the relevant republics and would be conducted by the western nuclear powers (US, UK, France) on an on-going basis, rather like the G7 talks on the economy. NATO members would be consulted but the French (rightly) judge that NATO is not the instrument for pursuing this dialogue.

Knowing that this was coming, we asked Robin Renwick to take a sounding of the Americans. The telegram with their response is in the folder. The Americans have certain conditions, which would be ours as well. But I think you could give the idea a reasonably fair wind.

On the Anglo-French Frigate, the Elysee are happy for you and President Mitterrand to announce collaboration on a future anti air warfare frigate. A form of words is attached.

Press handling. The President does not want to give a press conference. If things go well over lunch you may want to ask if he wants to say a few words in the street as he leaves. Otherwise we can put out a fairly anodyne statement on the Community aspects of the discussion together with the specific language on the frigate.



J S WALL

29 November 1991

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