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FM PARIS
TO IMMEDIATE FCO
TELNO 1604
OF 011955Z DECEMBER 89
INFO IMMEDIATE UKREP BRUSSELS
INFO ROUTINE OTHER EC POSTS.

FRAME GENERAL

SUMMARY

1. ELYSEE BRIEFING ON HANDLING OF STRASBOURG EUROPEAN COUNCIL.

DETAIL

2. MME GUIGOU AND HENNIKINE (ELYSEE) BRIEFED EC AMBASSADORS THIS MORNING ON PRESIDENCY PLANS FOR HANDLING THE EUROPEAN COUNCIL AT STRASBOURG. MADAM GUIGOU SAID THAT PROPOSALS FOR THE AGENDA WERE NOW WITH MITTERRAND, WHOSE LETTER TO FELLOW HEADS OF STATE AND GOVERNMENT WOULD ISSUE NEXT WEEK. EVENTS OVER THE NEXT FEW DAYS MIGHT CAUSE A CHANGE IN PLANS, BUT PRESENT PRESIDENCY THINKING WAS THAT THE SINGLE MARKET, EMU AND THE SOCIAL CHARTER WOULD BE HANDLED DURING THE MORNING, LUNCH AND AFTERNOON SESSIONS ON 8 DECEMBER, WITH DISCUSSION OVER DINNER ON
- DRUGS (DEPENDING ON THE OUTCOME OF TODAY'S COORDINATORS, MEETING IN BRUSSELS),
 - DEVELOPMENTS IN EASTERN EUROPE, INCLUDING THE PROPOSED EASTERN EUROPEAN BANK, ALTHOUGH THERE WOULD BE NO NEED TO GO OVER AGAIN ALL THE GROUND COVERED AT THE 18 NOVEMBER ELYSEE DINNER. (HENNIKINE ADDED THAT TODAY'S POCO DISCUSSION WOULD OF COURSE HAVE A BEARING ON THE STRASBOURG DISCUSSION TOO)
 - (PERHAPS) THE FUTURE DEVELOPMENT OF THE COMMUNITY MORE GENERALLY, INCLUDING ENLARGEMENT EC/EFTA/ AND EC/EASTERN EUROPE.
3. DISCUSSION ON 9 DECEMBER WOULD CENTRE ON THE COUNCIL CONCLUSIONS, TO BE FOLLOWED BY LUNCH AND THE FINAL PRESS CONFERENCE, WITH THE COUNCIL FINISHING BY 4PM.
4. MADAME GUIGOU ALSO WENT BRIEFLY OVER THE SUBSTANCE OF THE MAIN AGENDA ITEMS. SHE SAID LITTLE NEW, BUT THE FOLLOWING POINTS MAY BE WORTH NOTING.
5. I. SOCIAL CHARTER. THE PRESENT TEXT WAS WELL BALANCED, AND WOULD NOT ENHANCE COMMUNITY COMPETENCE OR CONSTRAIN ACTIVITY

BY MEMBER STATES. IT WAS A NECESSARY POLITICAL SIGNAL THAT THE SINGLE MARKET DID NOT JUST BENEFIT BUSINESS. ELEVEN MEMBER STATES WERE PREPARED TO ACCEPT IT. THE FRENCH HOPED WE WOULD TOO.

- II. EMU. MITTERRAND WANTED AGREEMENT THAT AN IGC SHOULD BE CALLED UNDER THE ITALIAN PRESIDENCY. THIS WOULD BE AN IMPORTANT POLITICAL SIGNAL, AND WAS THE MOST IMPORTANT SINGLE DECISION FOR STRASBOURG.

THE NECESSARY PREPARATION FOR AN IGC HAD BEEN COMPLETED, SINCE ONLY THE IGC ITSELF COULD ANSWER THE QUESTIONS POSED IN THE GUIGOU REPORT. AN IGC COULD LAST TWO TO THREE YEARS OR EVEN LONGER. IN ANSWER TO MY DANISH COLLEAGUE, MADAME GUIGOU SAID THAT THE SCOPE OF AN IGC WOULD BE FOR THE IGC ITSELF TO DECIDE. AT NO TIME DURING THE MEETING DID SHE SUGGEST THAT THE PRESIDENCY MIGHT WANT TO WIDE-RANGING DISCUSSION AT STRASBOURG OF INSTITUTIONAL DEVELOPMENT. (COMMENT: THIS TIMETABLE FOR AN IGC IS CONSISTENT WITH KOHL'S PROPOSAL THAT AN IGC BE COMPLETED AND RATIFIED BY THE TIME OF THE 1994 EUROPEAN PARLIAMENTARY ELECTIONS: BONN TELNO 1160. THE GERMAN EMBASSY TOLD US SEPARATELY TODAY THAT THE FRENCH WERE PUTTING STRONG PRESSURE ON THE GERMANS TO AGREE TO A DATE FOR AN IGC AT STRASBOURG AS A DEMONSTRATION OF THEIR COMMITMENT TO THE COMMUNITY, THAT GENSCHER HAD APPEARED CONFIDENT YESTERDAY THAT THEY WOULD FALL IN WITH THIS, BUT THAT THE FINAL DECISION WOULD BE TAKEN BY KOHL AND HIS IMMEDIATE ENTOURAGE.)

- III. EAST EUROPEAN DEVELOPMENT BANK. MITTERRAND WANTED AGREEMENT TO THIS PROJECT TOO, FOR POLITICAL REASONS. THERE WOULD BE NO (NO) OBJECTION TO PARTICIPATION BY THE US AND JAPAN. CONCESSIONARY LENDING WOULD NOT BE ON SOFTER TERMS THAN CURRENTLY OFFERED BY THE EIB, AND CERTAINLY NOT AS CONCESSIONARY AS AID TO THE DEVELOPING WORLD.

FERGUSSON

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