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FRAME GENERAL

THE STRASBOURG EUROPEAN COUNCIL: THE FRENCH APPROACH

## SUMMARY

MITTERRAND'S SUMMIT AT THE END OF MITTERRAND'S YEAR. STRONG DESIRE FOR AGREEMENT ON EMU, SOCIAL CHARTER (IF NECESSARY A ONZE) AND EASTERN EUROPE, BUT WITH TOO MUCH EMPHASIS ON SYMBOLS NOT SUBSTANCE. SUPPORT FOR OUR INTERNAL MARKET PACKAGE ON THE CARDS. LAST MINUTE SURPRISES CAN NEVER BE RULED OUT.

## DETAIL

1. FOR MITTERRAND THE EUROPEAN COUNCIL AT STRASBOURG WILL BE THE CULMINATING POINT OF A YEAR THAT HAS SEEN THE BICENTENARY CELEBRATIONS, THE ECONOMIC SUMMIT IN PARIS AND THE FRENCH PRESIDENCY.

2. MITTERRAND'S AIM FOR THE PRESIDENCY, APART FROM DESPATCHING NECESSARY AGENDA ITEMS SUCH AS LOME AND THE 1990 BUDGET, HAS ALWAYS BEEN TO GIVE A SUBSTANTIVE PUSH TO EUROPEAN INTEGRATION, FOCUSING ON EMU AND THE SOCIAL DIMENSION, BACKED UP BY ISSUES WHICH MITTERRAND HIMSELF HOLDS DEAR - SUCH AS AUDIOVISUAL AND THE ENVIRONMENT - THEREBY ADVANCING A PROCESS IN WHICH HE BELIEVES DEEPLY, AND ASSURING HIS OWN PLACE IN THE HISTORY BOOKS.

3. EVENTS HAVE KNOCKED MITTERRAND OFF COURSE, BUT HAVE NOT DERAILED HIM. TO START WITH, THE AGREEMENT ON EMU AT THE MADRID SUMMIT REMOVED ANY OBJECTIVE NEED FOR SUBSTANTIVE PROGRESS - OR AT LEAST DECISIONS - UNDER THE FRENCH, AND THEIR REACTION - TO FORCE THE PACE AND IN CALLING FOR AN IGC TO CONTRIVE A DECISION - HAS PUT THEM AT ODDS NOT JUST WITH US BUT WITH MANY IN GERMANY TOO. SUBSEQUENTLY, ON THE SOCIAL CHARTER, MITTERRAND UNDERESTIMATED THE STRENGTH OF OUR OBJECTIONS TO THE ORIGINAL DRAFT, AND CONSEQUENTLY OVERESTIMATED HIS OWN ROOM FOR MANOEUVRE IN GETTING US INTO LINE. AND FINALLY DEVELOPMENTS IN EASTERN EUROPE ADDED AN UNEXPECTED DIMENSION TO THE PRESIDENCY. THE ELYSEE DINNER WAS A PROPER AND SUCCESSFUL RESPONSE, THE CALL FOR QUICK DECISION ON A NEW BANK LESS SO. MORE SERIOUSLY,

BY RESURRECTING FEARS OF A UNITED GERMANY, DEVELOPMENTS IN THE EAST HAVE PUT FURTHER STRAIN ON FRANCO-GERMAN RELATIONS AND CAUSED THE FRENCH TO ARGUE FOR EVEN QUICKER PROGRESS TOWARDS INTEGRATION.

4. AS A RESULT, MITTERRAND APPROACHES STRASBOURG MORE CONVINCED THAN EVER OF THE NEED FOR BOTH REAL AND SYMBOLIC PROGRESS TOWARDS EUROPEAN INTEGRATION, BUT NOT WHOLLY CONFIDENT OF SUCCESS ON ANY OF THE MAIN ISSUES AS HE HAS DEFINED THEM: KOHL MAY NOT YET BE ON BOARD ON AN IGC, AGREEMENT OF THE TWELVE ON THE SOCIAL CHARTER DOES NOT LOOK ON THE CARDS, DOUBTS REMAIN ABOUT AGREEMENT ON THE EUROPEAN DEVELOPMENT BANK.

5. MITTERRAND WILL COME TO STRASBOURG WITH HIS DOMESTIC POSITION SECURE. BUT HE AND HIS PRIME MINISTER ARE RIDING HIGH IN THE OPINION POLLS. ROCARD'S POLICY OF BALANCING ECONOMIC EFFICIENCY AND SOCIAL DIALOGUE IS GENERALLY POPULAR. PUBLIC SECTOR PRESSURE OVER PAY HAS SO FAR BEEN MANAGEABLE. IMMIGRATION ISSUES WHICH HAVE BEEN THE FOCUS OF DOMESTIC ATTENTION OVER PAST WEEKS, FOLLOWING UNEXPECTEDLY HIGH IMMIGRATION FIGURES AND A CONTINUING ROW OVER THE WEARING OF ISLAMIC HEADSCARVES IN FRENCH SCHOOLS, ARE A SERIOUS CONCERN FOR THE GOVERNMENT. BUT IN THE SHORT TERM THEY ARE MAINLY DAMAGING THE MODERATE RIGHT, OUTMANOEUVRED BY THE EXTREMIST FRONT NATIONAL, THOUGH THE LEFT IS DIVIDED TOO. THE ECONOMY CONTINUES TO DO WELL.

6. MITTERRAND WILL BE WELL AWARE OF FRENCH WORRIES ABOUT THE IMPLICATIONS OF CHANGE IN EASTERN EUROPE AND IN THE GERMANIES, CONSCIOUS OF OPPOSITION ACCUSATIONS THAT HE IS NOT MAKING ENOUGH USE OF THE PRESIDENCY TO KEEP FRANCE CENTRE STAGE IN EUROPE AND CONSCIOUS TOO OF CONTINUING CONCERN ON THE LEFT THAT THE SINGLE MARKET IS HELPING BUSINESS, NOT LABOUR. MITTERRAND'S SENSE OF HISTORY, AND OF THE DESTINY OF EUROPE, THE DOMESTIC POLITICAL IMPERATIVES AND HIS DESIRE FOR A PERSONAL TRIUMPH TO CROWN BICENTENARY YEAR, WILL LEAVE HIM DETERMINED FOR A SUCCESS AT STRASBOURG. THE FEAR MUST BE THAT BY MEASURING SUCCESS IN SYMBOLS RATHER THAN SUBSTANCE HE MAY RISK DISSENSION ON SOME KEY ISSUES WHEN UNITY IS CALLED FOR.

#### EMU

7. SETTING A DATE FOR AN IGC IS A CASE IN POINT. THERE IS A SERIOUS UNDERLYING FRENCH INTEREST IN SECURING RAPID PROGRESS TOWARDS EMU: REGAINING SOME OF THE CONTROL OVER ECONOMIC DECISION MAKING THAT HAS BEEN LOST THROUGH THE POLICY OF A STRONG FRANC PEGGED TO THE DEUTSCH MARK - THE DOWNSIDE OF A POLICY THAT HAS BROUGHT BENEFITS IN TERMS OF LOW INFLATION - AND GETTING A STRONGER UNDERPINNING FOR THE

FRANC WHEN REMAINING CONTROLS ARE REMOVED. THESE OBJECTIVES DO NOT REQUIRE A DATE TO BE SET NOW. THE CALL FOR AN IGC IS INTENDED TO SYMBOLIZE MEMBER STATES' CONTINUING COMMITMENT TO EUROPEAN CONSTRUCTION, AND HAS BECOME FOR THE FRENCH A LITMUS-TEST OF GERMAN READINESS TO MAKE A POLITICAL COMMITMENT TO EUROPEAN INTEGRATION IN THE FACE OF COMPETING ATTRACTIONS. THE FRENCH ARE PUTTING GREAT PRESSURE ON KOHL TO AGREE TO A DATE. IF THEY FAIL, OR AGREEMENT IS HEDGED AROUND WITH CONDITIONS, IT WILL BE A DISAPPOINTMENT AND A WORRY TO THE FRENCH HOWEVER SATISFACTORY THEY MAY PROFESS TO FIND WHATEVER FALLBACK ARRANGEMENT IS AGREED.

#### THE SOCIAL CHARTER

8. MITTERRAND ESPOUSED THE SOCIAL CHARTER AS A SIGN OF THE COMMUNITY'S COMMITMENT TO THE INTERESTS OF EMPLOYEES AS WELL AS OF EMPLOYERS IN CONSTRUCTING THE SINGLE MARKET. EVER SINCE THE FRENCH SOCIALISTS RETURNED TO POWER IN MAY 1988 THE GOVERNMENT HAS BEEN UNDER PRESSURE FROM RANK AND FILE TO RESOLVE THE CONTRADICTION BETWEEN SOCIALIST PRINCIPLES AND A MACRO-ECONOMIC POLICY THAT IS ESSENTIALLY LIBERAL. HE PLUMPED FOR THE CHARTER AS A PAINLESS WAY OF DEFUSING CRITICISM. BUT THE IDEA ONCE LAUNCHED TOOK HOLD, AND DOMESTIC PRESSURE, PARTICULARLY AS FACTIONS IN THE SOCIALIST PARTY JOCKEY FOR POSITION IN ADVANCE OF THE BIENNIAL PARTY CONGRESS AT RENNES IN MARCH, HAS REDUCED HIS SCOPE FOR WATERING IT DOWN FURTHER, WHATEVER HIS INTENTIONS MAY HAVE BEEN WHEN HE SAW THE PRIME MINISTER ON 1 SEPTEMBER. AGREEMENT AMONG ELEVEN, WITH THE 'ULTRA-LIBERAL' UK REFUSING TO SIGN, WHILE A DISAPPOINTMENT IN EC PRESIDENCY TERMS COULD INDEED SUIT HIM DOMESTICALLY.

#### EUROPEAN DEVELOPMENT BANK

9. OBJECTIVELY THE CASE FOR A NEW INSTITUTION TO CHANNEL FUNDS TO EASTERN EUROPE MAY BE WEAK (THOUGH THE FRENCH ARE POINTING TO THE DIFFICULTY OF ASSOCIATING NON-EUROPEAN G24 COUNTRIES WITH EXISTING INSTITUTIONS LIKE THE EIB) AND CERTAINLY NEEDS MORE STUDY THAN THE FRENCH ARE PROPOSING. BUT FOR MITTERRAND THESE CONSIDERATIONS ARE SECONDARY. HERE TOO HE WANTS A SYMBOL OF THE COMMUNITY'S ABILITY TO TAKE THE LEAD IN RESPONDING TO THE ECONOMIC NEEDS OF EASTERN EUROPE. HE ALSO WANTS TO DEMONSTRATE (NOT LEAST TO THE EASTERN EUROPEANS THEMSELVES) THAT THE GERMANS ARE NOT BEING LEFT TO MAKE ALL THE RUNNING. A GOOD DISCUSSION OF POLICY TOWARDS EASTERN EUROPE, AND A REAFFIRMATION OF THE COMMUNITY'S READINESS TO HELP ECONOMICALLY, WILL BE ESSENTIAL BUT NOT SUFFICIENT.

#### THE SINGLE MARKET

10 FURTHER PROGRESS ON THE SINGLE MARKET IS FOR MITTERRAND A

SECONDARY THEME THOUGH THE FRENCH WILL BE ABLE TO CLAIM CREDIT FOR THEIR WELCOME LATE BURST ON TRANSPORT ISSUES. FOR HIM 1992 IS LARGELY YESTERDAY'S SYMBOL. THE NOTION OF A FREE, COMPETITIVE, UNPROTECTED MARKET IS ANTIPATHETIC TO FRENCH HISTORICAL TRADITIONS, WHICH (VIZ. EMU) ARE MORE IN ACCORD WITH THE ESTABLISHMENT OF NEW CENTRALIZED INSTITUTIONS. HOWEVER, FRENCH OFFICIALS HAVE RESPONDED POSITIVELY TO THE UK SUGGESTION THAT HEADS OF GOVERNMENT SHOULD GIVE A PUSH TO THE ADOPTION OF A RAFT OF MEASURES AT THE LAST INTERNAL MARKET COUNCIL OF THE FRENCH PRESIDENCY ON 21 DECEMBER, AND THERE IS A GOOD CHANCE THAT MITTERRAND WILL ACCEPT THIS. HE WILL NO DOUBT ALSO BE READY FOR THE STRASBOURG CONCLUSIONS TO PICK OUT AREAS IN WHICH A SPECIAL EFFORT SHOULD BE MADE DURING THE IRISH PRESIDENCY. BUT HE IS UNLIKELY TO WANT TO DEVOTE MUCH TIME TO THIS THEME.

11. FINALLY, THIS BEING FRANCE, LAST MINUTE SURPRISES CAN NEVER BE RULED OUT.

#### CONCLUSIONS

12. IF MITTERRAND LEAVES STRASBOURG WITH AGREEMENT ON AN IGC, AN EDB AND (EVEN AMONG ELEVEN) A SOCIAL CHARTER HE WILL FEEL THAT HE HAS MADE PROGRESS TOWARDS HIS CONCEPT OF EUROPE AT A TIME WHEN EVENTS DEMAND FIRM LEADERSHIP. A MAJORITY OF THE FRENCH PEOPLE IS LIKELY TO FEEL THAT NATIONAL PRIDE HAS BEEN SATISFIED. HISTORIANS (OTHERS TOO) WHO GIVE MORE WEIGHT TO THE SUBSTANCE THAN SYMBOLS MAY BE MORE DOUBTFUL OF THE EXTENT OF THE ACHIEVEMENT.

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