

PRIME MINISTER

MEETING WITH M. ROCARD

You are to have a talk with M. Rocard tomorrow afternoon, immediately before he delivers the Jean Monnet Lecture at Chatham House. We do not yet have a text of his address.

There is a lot of business to discuss, the most pressing and perhaps the most difficult concerning his environmental initiative and the Conference in The Hague.

You might start with a few sweeteners. You could congratulate him on his success in getting a settlement in New Caledonia. You could also thank him for summoning a prompt meeting of Summit Seven Terrorism experts to discuss the Pan Am disaster. You could make a complimentary reference to the Conference on Chemical Weapons in Paris. You could thank him for his role in the successful visit by the Prince and Princess of Wales. You are looking forward to the Anglo-French Summit on 27 February.

You might then plunge straight in to his environmental initiative. He will recall that you expressed your misgivings about his approach from the very first. You did not accept the concept of a 'human right' to a safe environment. And you were dubious about an approach which focussed on institutional issues and the creation of a new, supranational authority operating by qualified majority voting. You had particular difficulty with the concept of economic sanctions and doubts about the promise of economic compensation for countries taking action, which could prove very expensive. You were surprised by the omission of the US, the Soviet Union and China.

Your preferred approach has been to use existing institutions and concentrate on getting action through them (hence our CFC conference). You are dubious whether he is really going to get countries to submit to majority voting in this very

sensitive area of national policy, with all the massive expenditure which could be incurred. You fear that focussing on institutional questions will only divert attention and energy from practical work. This risk is all the greater given that heads of government are being brought together to endorse a declaration and a proposal without any significant preparatory work at all.

You might see whether he is prepared to contemplate some major amendments to the Declaration, to make it more general and to reinforce work already going on, rather than create new institutions and new powers. A Declaration of this sort could be a useful support for the work of the Intergovernmental Panel on Climatic Change and for the World Climate Conference in 1990.

Depending on his willingness to contemplate major amendments, you will need to decide what to say about representation. If he shows some flexibility, you may want to suggest that Mr. Ridley should attend.

The second main area of business is the European Community. You will want to disabuse him of the need for an EC-wide tax on savings. We don't want to drive investment out of the Community. We want to see practical proposals for monetary cooperation from the Delors Group, not any institutional change or Treaty amendment. You will want to mention your concern about fraud in the EC. You will want to explain our views on frontiers. And you will want to make clear that the French audio-visual initiative needs to be led and financed by industry.

You will also want to raise UK-built Nissan cars, on which you have written to President Mitterrand. You hope very much that this will not have to be raised at the bilateral Summit.

On the Middle East you will want to refer to reports that President Mitterrand may soon meet Arafat and explain why we are not hurrying down this road.

You ought to mention the Channel Tunnel, now five months behind schedule, and express your concern at the delays.

Finally you might touch on the importance of all of us pressing the Germans to reach an early NATO decision on SNF modernisation, while resisting SNF arms control. We hope that the French will agree to take part in a NATO Summit on this, either here or in Brussels.

Fuller notes on all these points are in the folder.

C.D.T.
CHARLES POWELL
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