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SUBJECT.

NOTE ON A DISCUSSION IN THE PRIME MINISTER'S ROOM AT  
CANCUN ON 23 OCTOBER AT 1630

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Present:

Prime Minister	President Mitterrand
Mr. Alexander	M. Cheysson
	Herr Genscher
	Herr Lautenschlager

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/Much of the discussion was purely social but  
one or two points of substance were made.7

The Prime Minister said that M. Mitterrand,  
Herr Genscher and herself had all been relatively quiet  
during the Conference discussion. This was a good thing  
because it encouraged the developing countries to express  
their views. It was clear that all the participants wanted  
to agree on an outcome which would be acceptable to all or,  
at least, not embarrassing for them. Failing an agreement  
of some kind the press would brand the meeting a failure.  
Clearly it was important for President Lopez Portillo and  
Chancellor Kreisky that this should not happen.  
M. Mitterrand and Herr Genscher agreed.

The Prime Minister, M. Mitterrand and Herr Genscher  
then went through a Canadian text on global negotiations  
for inclusion in the co-chairmen's statement. All agreed  
that the Canadian text was acceptable.

M. Mitterrand said President Reagan's statement of  
the previous day and the American position in general  
struck him as surprisingly inflexible. He thought that  
the Prime Minister's intervention had been most helpful.

/He agreed

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He agreed with the priority attached by the Prime Minister to the finding of sensible methods of making progress. The Prime Minister commented that she thought some of the real problems facing the participants had shown up in that morning's discussions. It was clear that the developing countries wanted, and indeed needed, more aid. What was not acceptable was the constant effort on their part to turn sound financial institutions into unsound ones.

The Prime Minister asked M. Mitterrand for his assessment of the consequences which would flow from the Greek election result. M. Mitterrand said that he doubted whether Mr. Papandreou would seek an early withdrawal from the European Community. After all he had said nothing about withdrawal during his election campaign. Herr Genscher expressed his personal confidence that M. Papandreou would decide not to leave.

The Prime Minister asked whether Mr. Papandreou would be difficult to deal with. M. Mitterrand said that Mr. Papandreou was a proud man whose family had suffered at the hands of a previous regime. Nor had he ever forgiven the United States for supporting the Colonels in Greece. That said Mr. Papandreou was in fact a man with whom one could get on and do business. The Prime Minister asked about his attitude to NATO. (Mr. Mitterrand said that this was not of great concern to him. (He did not, however, demur when the Prime Minister expressed considerable surprise at this statement.) President Mitterrand said subsequently that he thought that the question of the new Greek Government's links with NATO was likely to give rise to more trouble than the links with the EEC.

The discussion ended at 1650.

23 October 1981

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