

CONFIDENTIAL



*Dear Pd
Dile AH
cc CO*

SUBJECT

10 DOWNING STREET

Master

From the Principal Private Secretary

9 June 1982

Dear Brian,

VERSAILLES SUMMIT

I should have circulated earlier the attached note which Peers Carter did of the conversation between the Prime Minister and President Mitterrand on her arrival at the Grand Trianon on Friday 4 June. I apologise for the delay, which was our fault.

I am sending a copy of this letter and of the record to Davie Wright (Cabinet Office).

Yours etc,

Anne Whitmore.

Brian Fall Esq.,
Foreign and Commonwealth Office.

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AH

INITIAL CONVERSATION BETWEEN PRESIDENT MITTERRAND
AND THE PRIME MINISTER.

1. After an exchange of greetings and courtesies the President outlined the programme which he had in mind emphasising that nothing was fixed and that the Heads of State and Government would decide their own agenda. The Prime Minister said that according to her recollection it was usual to discuss international affairs at the first meeting. The President said that this was so but that the arrangements were as he said entirely open. He added that he hoped to talk privately with the Prime Minister during her stay and there would no doubt be plenty of opportunity for this since they were both under the same roof and there were extensive gardens to stroll in. But he asked whether the Prime Minister would like him to say a few words on business at once and the Prime Minister agreed that this would be useful.
2. The President said that from the moment that the Argentines invaded the Falklands an ineluctable logical process had started and that he had foreseen that by this time the United Kingdom would be in about the position where it was today. He had not intervened with suggestions that military movements should be slowed down because he knew that in the first place it would have been pointless and in the second place it would have been contrary to the logic of events. This would remain so up to the recapture by British forces of Port Stanley.
3. But he hoped that after that a new logic of events would be launched. The British had followed their natural instinct, would have recovered their property, asserted their national honour and defended their national interests, but at that moment it would be a very dangerous situation for everybody if we were to become bogged down in a war.
4. The Prime Minister said that she entirely agreed but that this depended not only on the British Government but also on the Argentines and that it was not possible to foresee exactly what would happen.
5. The President agreed. He said that the Peruvian ship about which he had spoken by telephone last Saturday had duly arrived on Tuesday and had been sent away empty and that during hostilities he would see to it that no exocets would be delivered within the dangerous region. It was true that it was laid down in the contract that they could not be resold, and in a telephone conversation, to the President of Peru had assured him on his honour that they would not be; nevertheless they would be delivered. Relations were getting tense and it was getting hard to hold position. He claimed no merit for what he was doing saying that it was no more than his duty but nevertheless he hoped that the fighting could be brought

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quickly to an end. Perhaps the Prime Minister was prepared to see British relations with Latin America continent wrecked but France was not in the same position.

6. The Prime Minister said she and her Government and the Chiefs of Staff were most grateful to the President for what he had done and for what he had said the other day in an American television interview. She hoped that the fighting would be quickly finished; equipment was being disembarcked and moved into position for the final battle but the Falklands were very far away and the moment for action must be decided by the military commander. She hoped that the action would be swift and lead to a surrender of the invaders.

7. It would then be necessary to arrive at a settlement with mainland Argentina.

8. The President said he hoped that all possible international pressure would be applied in this direction. He had not intervened and would not in favour of a ceasefire before the capture of Port Stanley and was prepared to go on "playing the fox" with Peru, but this could not last forever. Two days ago he had had the Peruvian Ambassador sent for by the Minister of Foreign Affairs who had explained the problem frankly and said that no exocets could be delivered in times of danger; until then France had been making technical excuses but this could not go on forever. If a dramatic situation should arise in which Latin America threatened to cancel all contracts with France he would let the Prime Minister know but for the time being he was holding firm. Much imagination would be needed to find a legal solution - the Prime Minister had even used the word "independence".

9. The Prime Minister replied that this hardly seemed feasible unless we had a lot more people in the Falklands, but there was oil, natural gas and considerable possibilities for development. The President concluded by saying let us finish the battle first and then talk further.

P Carter