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FROM: Ambassador

DATE: 3 June 1992

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good read, C*

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LUNCH WITH MRS THATCHER AT THE ELYSEE: 2 JUNE

1. President Mitterrand visibly enjoyed seeing Mrs Thatcher again. He looked perky and was as relaxed as I have seen him, often smiling at both the substance and style of Mrs Thatcher's contributions. She was in ebullient and discursive form, scarcely leaving herself time to eat her lunch. The President's interventions therefore were relatively few. Pierre Morel and Christopher Thierry were the others at the table.

2. There was scarcely a topic of present current affairs on which Mrs Thatcher did not touch, though the leit-motiv was the danger of resurgent Germany and the need to keep the Germans down, regret that President Gorbachev had been so feeble at the end of 1989 and early 1990 ("he extracted far too low a price from the Germans for reunification"), and so on. It would be possible by intuition, rather than by his rather sparse remarks, to divine that President Mitterrand had a good deal of sympathy with what she said.

3. Mrs Thatcher argued that Western aid was insufficient to bail Russia out, against the background of past Russian history and limited experience and understanding of market mechanisms. There were various anecdotal exchanges about Marx, Engels and Lenin which proved, for me, how very well read the President is. He commented on his particular interest in philosophie sociologique. After an amusing analysis of Marxism in present-day political life, President Mitterrand commented that the ex-Marxist leaders whom he met were now rather pathetic figures. As an ideology, Communism was now a busted flush. As a mechanism for achieving and maintaining political power it still had its adherents. He feared that, in Russia and other Eastern countries, there was real danger that the fragmentation of political authority might lead to military takeovers.

4. On Yugoslavia President Mitterrand said that had the Community been able to agree in Summer 1991, it might have been possible to impose new procedures which would have given

a better chance of maintaining the peace. His constant fear had been of a recurrence of 1914, with the European powers lining up against each other, some supporting Croatia and some supporting Serbia. Mrs Thatcher, as her Hague speech brings out, is a pro-Croat. For his part, M Mitterrand emphasised that the fault by no means lay exclusively on the Serbian side.

5. After one of Mrs Thatcher's recurrent explosions about Delors, the European Community, federalism etc, M Mitterrand, who was ironically patronising about M Delors but not dismissive, said that he thought that a federal Europe, as portrayed by Mrs Thatcher, was just "not possible". He "could not accept that hypothesis".

6. Mrs Thatcher complained about the Article 8A problem; she would only have accepted that text in the Treaty because of the clear understanding that the associated declaration which she had made at the time permitted us to maintain security controls. She blamed the Commission for their grasping ambitions. M Mitterrand replied that he was opposed to giving increased power to the European Commission; he would not want to see them having the rôle of European Government.

7. M Mitterrand referred to the growing power of Japan, in the context of Japanese claims for a Security Council seat. On the other hand, the Germans, for the time being, were being very cautious. Without referring specifically to our collaboration in the Security Council, he then joined with Mrs Thatcher, at the very end of the discussion, in an affirmation of the importance of building up Anglo-French bilateral relations, not least as a means of maintaining an effective balance in Europe (against Germany). Of course, he said, events forced France into having a close, perhaps over close, relationship with Germany. But then, viewed from France, the British perhaps put an undue weight on their relationship with the United States. Mrs Thatcher had talked about the Germans as a people but not as a nation and the Italians as barely nothing. M Mitterrand enthusiastically reinforced her views, talking about France and Britain as the only two nation states in Europe which had a sense of their own history; it was true, he went on, that Spain and Portugal (very small) were old nation states but both were geographically set apart and neither really formed part of the European tradition. This reinforced his view of the need for Britain and France to stand close together.

8. This is a summary note of a very discursive lunchtime discussion. On Mrs Thatcher's side much of it covered ground which her earlier discussions with M. Mitterrand have made

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familiar in tone as much as in substance. The good point is that both obviously like each other and M Mitterrand said that he would always be glad to talk again with her. Just before leaving Mrs Thatcher passed on Sir Denis' good wishes. He was 77 but still in very good shape. M Mitterrand commented on his own age but Mrs Thatcher will have gone with the impression that he too "is in very good shape".



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