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Note of a Meeting between the Prime Minister and the President
of the French Republic at the Elysee Palace at 0900 hours
on Friday, 30 November 1984

Present:

Prime Minister
Mr. F. E. R. Butler
Interpreter

President Mitterrand
M. Vedrine
Interpreter

Guangdong Nuclear Project

The Prime Minister said that she foresaw problems with the Chinese in the financial negotiations over the credit terms for the Guangdong project. If the British and French Governments did not take a joint position, the Chinese were likely to play off one against the other and reduce terms to a point at which it would not be worthwhile to undertake the project. She therefore hoped that the French Government would agree to stick to the consensus rates for credit or agree terms with the British Government in advance.

President Mitterrand said that, during Madame Mitterrand's recent visit to China, Deng Xiaoping had spoken a lot about terms of trade with Europe. Madame Mitterrand had the impression that histone was a little threatening. The President therefore agreed that it would be desirable for the British and French Government to decide soon what position they were to take: he would have a message sent immediately to Madame Cresson so that discussions could take place during the present meeting. The British and French position would need to be settled very precisely 'to the second decimal point'. He did not want to lose the Guangdong contract, both because it had been publicly signed with the Chinese government and because the business was very / useful.

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useful. On credit more generally, he commented that some countries, particularly the Japanese, manipulated their terms so as effectively to evade the consensus rate.

The Prime Minister commented that she thought that the Chinese were reluctant to commit too much of their business to the Japanese for both political and historical reasons. There was a reasonable chance of the Guangdong project going ahead, but hard bargaining would be required. Her experience over the Hong Kong negotiations was that the Chinese showed no flexibility until the eleventh hour of the negotiations.

Defence Co-operation

The Prime Minister said that her general impression was that defence cooperation was going well, but she would welcome more bilateral and multilateral cooperation in Europe in meeting our defence commitments. Without such cooperation, European defence industries would be picked off by the Americans who had a much greater market base. Such cooperation would involve difficult choices on specialisation. Cooperation was going ahead on a number of projects, but she was keen to do more, following the start which had been made on the Airbus project.

President Mitterrand welcomed the Prime Minister's approach. It was for Defence Ministers to discuss specific projects and he hoped that progress could be made on this matter during the present meeting.

Out of Area Cooperation

The Prime Minister said that both France and Britain undertook security commitments outside NATO and she wondered whether the two countries cooperated enough. There had been

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good cooperation in the Gulf of Suez/Red Sea minehunting exercise but the British Government had a wide spread of forces through the world, as the French did. She believed that Britain and France might often be more effective if they cooperated than they could be separately.

President Mitterrand said that he did not think that there was sufficient out of area cooperation at present but it was important for Britain and France not to be carried away by United States initiatives outside the NATO area. Within the NATO area, the partners in the Atlantic Alliance retained their freedom of judgment, but the arrangements were clearer there. Outside the area, there were a number of instances in which the United States only told their Western allies after they had started actions. This was often too late. The Prime Minister commented that there was also a danger that the United States would turn its attention more to the Pacific and less to Europe unless the European countries showed that we were interested in areas outside Europe. In the recent situation in the Gulf, Britain had been quick to make contact with both the United States Government and our friends in the Gulf. We had agreed to move minesweepers nearer to the scene and this had helped us to have an influence over American policy. This had helped prevent the United States Government from making mistakes. An area in which the British Government might well have recently had to ask for help from the French was in Ethiopia, when we were having difficulty in getting our relief aircraft into Addis Ababa. We were discussing with our Commonwealth partners the problem of the defence of small islands, which were both threatened externally and from subversion within, often promoted by Colonel Gaddafi.

/President Mitterrand

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President Mitterrand said that there was a tendency to see Colonel Gaddafi's hand in trouble everywhere. His own impression was that Gaddafi now had slightly less money to play with; and because of the difficulty of his internal situation and opposition within the Libyan army, he was now a little less dangerous. There had been recent reports that he was fostering trouble in Guadeloupe but he had given an assurance that, although the revolutionaries there had been to see him, he was ^{not} giving them help because he did not want trouble in France. He had also placed 17 agents in New Caledonia, but the French Government knew who they were and had told Gaddafi that they would be carefully watched. President Mitterrand continued that he recognised the strategic problems in the Caribbean of those who wanted to use the small islands like aircraft carriers from which to threaten the United States. Even so, he did not regard people like Gaddafi or Castro as being as dangerous as the USSR, because they lacked a real strategy. The Cubans would, however, be looking for somewhere else to deploy the forces which they were going to have to bring out of Southern Africa because they would not want them at home.

President Mitterrand said that he was worried about the situation in Africa. With relatively few exceptions such as Zaire, Cameroon and possibly Nigeria, there was not ^{an} army in Africa which could resist 500 properly trained mercenaries. This was a worrying situation, especially for a country like France which had many agreements with African countries and could easily be drawn into a situation in which it was not clear whether the threat was genuinely an external one or a result of internal rivalries. The United States took an interest in some African countries and not in others, principally for strategic reasons of their own. The Russians

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operated similarly, usually without success; but it was dangerous that Africa should be a bone of contention between the two superpowers, who knew much less about the individual countries than Britain and France. In these circumstances, it was important that Britain and France should not be prevented by traditional rivalries surviving from colonial days from recognising that their joint interests were today far greater than their differences. He had therefore extended the theme which the Prime Minister had launched because he thought that greater political cooperation would be useful.

The Prime Minister said that she regarded the situation in Africa as a battle between the free world and Communism and there was no doubt about where her support lay. She believed that the situation in central and southern Africa was going well since the countries there had seen what life was like under Communism. President Mitterrand agreed that Britain and France were close to the United States and not to the Soviets in relation to Africa and France had contributed to pushing back Russian influence. But he still felt that the United States tried to do too much by themselves in Africa. In Chad, for example, they had interfered without any invitation and were organising anti-American decisions.

P. R.

The President of Niger, who was a personal friend of his, would be visiting Washington. He hoped that the American Government would not take decisions in this area which would be unwelcome to the Government of France.

Chad

The President said that he would like to give the Prime Minister a personal account of the background to the present situation in Chad. France had undertaken three military operations in Chad in the last eighteen years, the first under General De Gaulle and President Pompidou, the second in 1978 under President Giscard d'Estaing and the third recently under his own Government. When he had become the President he had found the Libyans in control of Chad. He had made clear to Mr. Goukouni that the French would only be willing to continue their aid to Chad if they got the Libyans out. Goukouni had agreed to this. The French Government had entered into a treaty under which both their troops and Libyan troops would withdraw from Chad. Taking advantage of the absence of both the Libyans and the French, Habre had seized power. Habre had then fallen out with Gaddafi, who had sent his army back into Chad. The President had therefore decided to return a French force of 3,000 and they had pushed the Libyans back to the North. In the course of a stay of six months, the French had only lost one aircraft and they had contained the Libyans to the North of Libya which was both the most sparsely inhabited and least productive part of the country. In this way they had placed a cordon between Gaddafi and other parts of Africa but Habre retained himself in power by means which caused him to be detested, and his unpopularity rubbed off onto the French. It had caused Amnesty International to produce a report critical of French support for the Habre regime. The Prime Minister commented that she knew that Amnesty International were no friends of democracy and freedom.

President Mitterrand continued that Habre wanted the French to recover the North of the country. They had indeed pushed the Libyans 100 kilometres further North but they could not undertake a campaign in the North of the country and there was no need to do so. They maintained constant reconnaissance over the North and if necessary French troops could be conveyed there within thirty six hours. Gaddafi knew that if he made any move to the South, the French would stop him. Nevertheless, the Americans had taken and published reconnaissance pictures of their own which had caused difficulties for the French Government with Habre. President Mitterrand wanted the Prime Minister to know that the situation was much more complex than popular opinion had represented it.

The Prime Minister commented that there was every reason to be grateful to the French Government for what they had done to contain Gaddafi. Their strategy had been successful, at the cost of incurring a commitment which was likely to last as long as Gaddafi did. President Mitterrand commented that it was hard to make either the Pentagon or French public opinion understand the reasons for the French Government's position. When he had sent in the French forces, opinion polls showed that the majority of the French people were critical: when Habre had criticised him for not doing more to expel the Libyans from the North of Chad French public opinion was also critical. Part of the irony of the situation was that the previous French Government had sold 120 Mirages to Libya and France had trained pilots who were now being used to bombard Chad. The Prime Minister said that the British Government also trained Libyan pilots, but only for civil purposes.

East/West Disarmament Negotiations

The Prime Minister asked President Mitterrand for his views on the influence which Britain and France should be

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exerting on President Reagan as the United States approached the new disarmament negotiations. She commented that President Reagan's proposals about an "umbrella approach" were still vague. Her own view was that it was necessary for the Americans to keep negotiations going and not to neglect chemical weapons, about which she was very worried. President Mitterrand commented that, when he had visited Chernenko, he found him very worried about both bacteriological warfare and about space. The Prime Minister said that the Americans were using their lead in space as a lever on the Russians to undertake negotiations.

President Mitterrand said that Britain and France could not determine what the Americans could do. But we should urge them to take an approach which did not bring the British and French deterrents into the negotiations. He believed that the best way of doing this was to urge them to negotiate over the totality of nuclear weapons, since it was evident that the British and French deterrents were only a tiny proportion of the whole. Nevertheless, the argument that the British and French must be prepared to negotiate about their own nuclear weapons had made considerable headway with public opinion. He had encountered criticism over this in Sweden, Holland and Belgium.

The Prime Minister said that she shared President Mitterrand's approach and had argued that, since British weapons amounted to only 2 - 3% of those of the USSR, disarmament negotiations should concentrate first on the 97%. She would be seeing President Reagan on her return from Peking and might find out then something about his approach. President Mitterrand said that, while the Americans would no doubt have to make some concessions for the negotiations to make progress, the message should be that other Western countries wanted conciliation, but not at the expense of their security.

Channel Fixed Link

President Mitterrand suggested that he and the Prime Minister should say at their Press Conference something to encourage work on the Channel Fixed Link, especially since this was a project which captured people's imaginations. The Prime Minister agreed. She understood that Ministers of Transport were negotiating an agreed form of words. She thought that British people would greatly prefer a link which enabled them to drive directly to the Continent. She did not know whether this would be possible, but she thought that the Euroroute option should not be ruled out at this stage.

F.E.R.B.

F.E.R. Butler

30 November 1984



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10 DOWNING STREET

From the Private Secretary

1 December 1984

Dear Len,

ANGLO-FRENCH SUMMIT

I enclose records of the Prime Minister's two tete-a-tete conversations with President Mitterrand during the Anglo-French Summit. I should be grateful if care could be taken to restrict distribution only to those with a clear need to know.

The first conversation dealt almost entirely with European Community affairs. I am copying the record to David Peretz (H M Treasury), Callum McCarthy (Department of Trade and Industry), Ivor Llewelyn (Ministry of Agriculture, Fisheries and Food), and Richard Hatfield (Cabinet Office).

The second conversation was more wide-ranging. The whole record goes to Richard Mottram (Ministry of Defence) and Richard Hatfield (Cabinet Office). The section on Guangdong is copied to David Peretz (H M Treasury), Callum McCarthy (Department of Trade and Industry) and Michael Reidy (Department of Energy). The section on the channel fixed link is copied to Dinah Nicholls (Department of Transport), Callum McCarthy (Department of Trade and Industry) and David Peretz (H M Treasury).

Yours sincerely,

C D POWELL

Len Appleyard Esq
Foreign and Commonwealth Office

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