

cc Master

JP



10 DOWNING STREET

From the Private Secretary

2 December 1983

M. CHIRAC

I enclose a note made by Stephen Sherbourne of the conversation between the Prime Minister and M. Chirac at No. 10 this morning.

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Roger Bone, Esq.,
Foreign and Commonwealth Office.

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MR. COLES

Note on Meeting Between the Prime Minister and Monsieur Chirac
at 10 Downing Street on Friday, 2nd December 1983 at 10.30 am

M. Chirac presented the Prime Minister with a gift of a book.

The subject of the forthcoming summit at Athens was discussed. M. Chirac was more pessimistic than the Chancellor of the Exchequer whom he had seen. The Prime Minister said that Mr. Papandreou would be a less forceful Chairman and may not force decisions. Her original expectation that the critical decisions would be settled in 1984 with President Mitterand in the Chair had been dashed by M. Mitterand's view that for political reasons he could not take those decisions shortly before the European elections. President Mitterand wanted the critical decisions taken in Athens.

M. Chirac explained the political difficulties which President Mitterand faced at home: the fact that the European elections would be interpreted as a verdict on his Government and the strong position of the farmers who were strongly in favour of the CAP. The Prime Minister said that her intention was not to abandon the CAP but to modify it.

M. Chirac felt that any compromise reached at Athens would not last and that after the elections the members would have to re-think the problems of Europe in order to find something new to reinforce the Community.

The Prime Minister said that in many respects the positions of Britain and France were similar. The two countries viewed the Community in political terms in helping towards European peace and stability; they took the same view about sovereignty, in particular wanting only a limited surrender of sovereignty in areas like taxation. And France may soon become a net contributor herself to the Community Budget with which M. Chirac agreed.

The Prime Minister explained that nevertheless she often supported Germany because she believed that they contribute too much and she would not want to encourage any resentment which could build up among the new generation of young Germans.

The question of enlargement was discussed, the recent membership of Greece and the prospective membership of Spain and Portugal. The Prime Minister said that although membership, it was hoped, would reinforce the new democracy in these countries, enlargement was producing a looser Community.

M. Chirac floated the suggestion of what he called a "two speed Europe" (he said we had this already with EMS) but M. Chirac conceded that by this he really meant a "two status Europe".

Protectionism was briefly discussed. The Prime Minister said that although Europe was often criticised as being protectionist this was even more so of many of the newer industrialised countries.

The new technology was discussed. M. Chirac expressed anxiety about the danger of high technology industries disappearing from Europe in the face of foreign, especially American, competition. The Prime Minister said she believed that technology like food raised strategic considerations which had to be taken into account.

M. Chirac believed that food would become a greater political factor in the world as, with growing prosperity, more countries would need and be able to buy food. The Prime Minister was less sure about this: India was self-sufficient, there was great potential for increasing yields in many less developed countries (though less so in Africa) and the countries would prefer help so they could feed themselves.

M. Chirac raised French relations with Australia. He complained of Australia's interference in the French territory of New Caledonia, where half the people were French. He also complained of Australia's criticism of French atomic tests in the South Pacific.

He asked the Prime Minister, if the opportunity were to arise, to convey France's resentment which was felt across the political spectrum. The Prime Minister said that she was glad to know the position.

The Prime Minister said that President Mitterand was very strong on East-West relations. M. Chirac said that this was one point where he agreed with the President, although M. Chirac would like greater consultation between the allies.

The meeting ended at 11.10 am.

S.S.

Stephen Sherbourne

2nd December, 1983