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TELNO 1226

OF 181629Z NOVEMBER 86

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INFO SAVING COPENHAGEN, DUBLIN, LISBON, LUXEMBOURG, MADRID

INFO SAVING THE HAGUE

ANGLO-FRENCH SUMMIT, 21 NOVEMBER: SCENE SETTER.

SUMMARY

1. COHABITATION IS BECOMING MORE CONFLICTUAL, BUT NEITHER SIDE DARES A SHOWDOWN. CHIRAC IS RUNNING THINGS IN HIS OWN, IMPETUOUS WAY. WHERE WE DIFFER WITH HIM, EG ON MIDDLE EAST TERRORISM, WE SHOULD BE FIRM. BOTH HE AND MITTERRAND WILL WANT TO CONCERT CLOSELY WITH US ON ARMS CONTROL POST-REYKJAVIK AND TO DISCUSS PRESIDENCY INTENTIONS FOR THE EUROPEAN COUNCIL. AN OPPORTUNITY TO PROMOTE, PRIVATELY AND PUBLICLY, THE BILATERAL DEFENCE RELATIONSHIP.

DETAIL

FRENCH POLITICAL SCENE.

2. THE FRENCH WANT COHABITATION TO WORK. ACCORDING TO THE OPINION POLLS MITTERRAND AND CHIRAC BOTH BENEFIT FROM MAKING IT DO SO. THERE IS THEREFORE LITTLE LIKELIHOOD OF ITS EARLY DEMISE, EVEN THOUGH IN RECENT WEEKS THERE HAVE BEEN DIFFERENCES BETWEEN THEM ON VARIOUS ISSUES INCLUDING DEFENCE, TERRORISM AND IMMIGRATION/RACE RELATIONS. THE CALCULATIONS OF BOTH (AS OF THE FRENCH POLITICAL CLASS AS A WHOLE) ARE NOW DOMINATED BY THE PRESIDENTIAL ELECTIONS SCHEDULED FOR 1988. CHIRAC HOPES TO USE THE PREMIERSHIP TO PROPEL HIMSELF INTO THE ELYSEE: MITTERRAND HOPES TO USE HIS CURRENT TENANCY TO BLOCK CHIRAC (AND QUITE POSSIBLY TO STAY ON HIMSELF). EVERY DECISION, EVERY PRONOUNCEMENT, IS REFRACTED THROUGH THIS PRISM. DESPITE AN IMPROVED ECONOMIC RECORD IN 1986 (INFLATION CURRENTLY DOWN TO 2.3 PER CENT AND GROWTH ESTIMATED AT 2.5 PER CENT) IT SEEMS UNLIKELY THAT ECONOMIC ARGUMENTS WILL GIVE A DECISIVE ADVANTAGE TO EITHER SIDE.

3. THE PRESIDENTIAL CONTEST IS THEREFORE VERY OPEN. EITHER OR NEITHER OF THEM MAY WIN IN 1988. (BARRE IS ALSO A STRONG CONTENDER.) IN DEALING WITH THEM WE NEED TO BEAR IN MIND THEIR SHORT TERM ELECTORIAL CONCERNS AND THEIR LONGER TERM POLITICAL PROSPECTS. (SEE ALSO MY LETTER OF 13 NOVEMBER TO RATFORD.) BOTH GREATLY RESPECT THE PRIME MINISTER: BOTH WILL LISTEN CLOSELY TO WHAT SHE SAYS AND WILL RESPECT PLAIN SPEAKING: BUT BOTH MAY TRY TO USE HER VISIT TO PARTISAN ADVANTAGE IF OPPORTUNITY OFFERS.

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## ARMS CONTROL.

4. MITTERRAND MAY WISH TO ALIGN MORE CLOSELY BRITISH AND FRENCH POSITIONS ON NUCLEAR ARMS CONTROL (MY TEL 1221). BOTH CHIRAC AND MITTERRAND WILL BE INTERESTED TO HEAR HOW THE PRIME MINISTER GOT ON IN HER DISCUSSIONS WITH REAGAN. AS WAS CLEAR FROM MITTERRAND'S VISIT TO LONDON ON 16 OCTOBER, FRENCH PREOCCUPATIONS ARE VERY SIMILAR TO OUR OWN, BUT WITHOUT ANY REAL DOMESTIC PRESSURE IN FAVOUR OF NUCLEAR DISARMAMENT. ATTENTION HAS MAINLY BEEN FOCUSED HERE ON WHAT IS SEEN AS THE MORE IMMEDIATE RISK - A SEPARATE INF AGREEMENT INCORPORATING THE ZERO OPTION IN EUROPE - AND THE FRENCH POSITION ON THIS HAS HARDENED APPRECIABLY IN RECENT WEEKS. MITTERRAND HIMSELF IS SOMEWHAT INHIBITED BY HIS PAST PUBLIC SUPPORT FOR THE ZERO OPTION, BUT CAN STILL TAKE A TOUGH LINE OVER SRINF. IT IS LESS CLEAR HOW FAR CHIRAC IS CONCENTRATING ON THIS ISSUE: HE PROBABLY ACCEPTS MITTERRAND'S CLAIM TO A SPECIAL VOICE ON MATTERS CONNECTED WITH NUCLEAR DETERRENCE BECAUSE IT IS THE PRESIDENT WHO HAS HIS FINGER ON THE BUTTON. NEITHER MITTERRAND NOR CHIRAC HAS A MEETING WITH REAGAN PLANNED BEFORE NEXT YEAR.

## BILATERAL DEFENCE RELATIONS.

5. OUR COMMON INTERESTS OVER NUCLEAR ARMS CONTROL HAVE CONTRIBUTED TO AN AWARENESS OF THE NEED FOR THE WIDER DEFENCE RELATIONSHIP TO BE DEVELOPED, IN PARALLEL WITH THE STEADY PROGRESS BEING MADE WITH THE GERMANS. THE INTRODUCTION TO THE DRAFT DEFENCE PROGRAMME LAW FOR 1987-91, APPROVED BY THE COUNCIL OF MINISTERS ON 5 NOVEMBER, IS THE LATEST DOCUMENT TO CALL FOR AN INTENSIFICATION OF OUR BILATERAL RELATIONS. REAL PROGRESS HAS IN FACT BEEN MADE EG ON JOINT EXERCISES, AIR DEFENCE, SOME EQUIPMENT ISSUES, INTELLIGENCE EXCHANGES, CONTACTS BETWEEN THE COMMANDER OF BAOR AND THE FRENCH FIRST ARMY. BUT WE STILL ENCOUNTER RETICENCES STEMMING FROM ALLEGED POLITICAL FACTORS, AND CHIRAC HIMSELF REFERRED IN A RECENT SPEECH TO OUR TRADITIONAL RIVALRY AS AN OBSTACLE TO COOPERATION. IT WOULD BE USEFUL YET AGAIN TO REAFFIRM AT THE HIGHEST LEVEL OUR DESIRE TO COOPERATE MORE CLOSELY WHERE THERE IS A MUTUAL INTEREST AND TO URGE THE FRENCH TO USE MORE INITIATIVE IN SEEKING SPECIFIC AREAS FOR JOINT ACTIVITY.

6. ON DEFENCE EQUIPMENT CO-OPERATION, THE FRENCH WERE PLEASED TO BE INVITED TO JOIN THE UK NEGOTIATIONS WITH GEC AVIONICS AND BOEING FOR AN AIRBORNE EARLY WARNING SYSTEM. THEY HAVE AN INTEREST IN FURTHER COLLABORATION WITH THE UK AND IN ENCOURAGING RECIPROCAL PURCHASES OF SOME DEFENCE EQUIPMENT, TO REDUCE THE BURDEN OF NATIONAL DEVELOPMENT COSTS. THE DEFENCE MINISTER HAS DECLARED THAT FRANCE CANNOT HOPE TO BE SELF-SUFFICIENT IN ALL AREAS OF DEFENCE PROCUREMENT.

## CHANNEL TUNNEL.

7. THE CHANNEL TUNNEL PROJECT CONTINUES TO STIR LITTLE POLITICAL OR PUBLIC CONTROVERSY IN FRANCE. TRANSPORT MINISTER DOUFFIAGUES ANNOUNCED ON 13 NOVEMBER THAT THE LEGISLATION NECESSARY FOR FRANCE TO RATIFY THE TREATY WOULD BE PASSED DURING THE PRESENT PARLIAMENTARY SESSION, THUS ENABLING FRANCE TO RATIFY AS SOON AS UK PROCEDURES ARE COMPLETE.

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## MIDDLE EAST/TERRORISM.

8. SEE MY TELNO 1203 FOR SUGGESTIONS ON HOW TO TACKLE DIALOGUE WITH THE FRENCH ON MIDDLE EAST POLICIES. LATEST DEVELOPMENTS ARE THE SIGNING OF AN AGREEMENT WITH IRAN UNDER WHICH FRANCE WILL REPAY 330 MILLION DOLLARS, AND RUMOURS THAT ANOTHER FRENCH HOSTAGE WILL BE RELEASED VERY SOON. ON HOME-GROWN TERRORISM, ACTION DIRECTE ARE WIDELY CONSIDERED TO BE RESPONSIBLE FOR THE MURDER ON 17 NOVEMBER OF THE CHAIRMAN OF RENAULT.

## OTHER ISSUES.

9. GIVEN RECENT CONTACTS THERE ARE NO NEW POINTS TO ADD FROM HERE ON THE EUROPEAN COUNCIL OR OTHER ISSUES.

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TO DESKBY 181330Z FCO

TELNO 1221

OF 181142Z NOVEMBER 86

INFO ROUTINE WASHINGTON, BONN, UKDEL NATO, UKMIS NEW YORK

**ANGLO-FRENCH SUMMIT**

**SUMMARY**

1. ELYSEE COMMENTS ON AGENDA FOR BILATERAL SUMMIT ON 21 NOVEMBER; PARTICULAR EMPHASIS ON QUESTION OF CONDITIONS IN WHICH UK AND FRANCE WILL JOIN NUCLEAR DISARMAMENT PROCESS.

**DETAIL**

2. I CALLED ON BIANCO, SECRETARY-GENERAL AT THE ELYSEE, THIS MORNING TO CHECK ON THE POINTS WHICH MITTERRAND WOULD WANT TO RAISE WITH THE PRIME MINISTER AT THE SUMMIT. HE SAID THAT MITTERRAND WOULD LIKE TO DEFINE MORE CLOSELY THE CIRCUMSTANCES IN WHICH BRITAIN AND FRANCE MIGHT OFFER TO JOIN IN THE PROCESS OF NUCLEAR DISARMAMENT. HE RECALLED THE CONDITIONS STATED BY MITTERRAND IN HIS UN SPEECH IN 1983: THESE REMAINED VALID. HE THOUGHT THAT THE BRITISH POSITION IN SUBSTANCE WAS SIMILAR BUT WAS UNSURE HOW TO INTERPRET A STATEMENT WHICH HE UNDERSTOOD MR YOUNGER HAD MADE SOME WEEKS AGO WHICH SEEMED TO POINT TO BRITISH REDUCTIONS EVEN BEFORE THE TWO SUPERPOWERS HAD REDUCED THEIR ARSENALS BY 50 PER CENT. HE NOTED THAT THE CHINESE WERE TALKING OF REDUCTIONS OF 75 PER CENT BEFORE THEY MIGHT JOIN THE PROCESS.

3. I POINTED TO THE DIFFERENCES IN PUBLIC OPINION IN BRITAIN AND FRANCE ON THESE MATTERS AND THE NEED FOR A BRITISH GOVERNMENT NOT TO APPEAR TO BE REJECTING OR OBSTRUCTING A POSSIBLE AGREEMENT BETWEEN THE US AND THE SOVIET UNION. OUR POSITION WAS THEREFORE FORMULATED SOMEWHAT DIFFERENTLY FROM THAT OF THE FRENCH, BUT IN FACT WE TOOK ACCOUNT OF MUCH THE SAME FACTORS - THE IMPORTANCE OF THE CONVENTIONAL BALANCE, CHEMICAL WEAPONS, DEFENSIVE MEASURES ETC. BIANCO SAID HE THOUGHT MITTERRAND WOULD WANT TO SEE HOW CLOSELY WE COULD AGREE ON THESE VARIOUS CONDITIONS WHICH SHOULD BE MET BEFORE THERE WERE ANY REDUCTION OR LIMITATION ON THE FRENCH AND BRITISH DETERRENENTS. THIS WOULD COVER THE ACTUAL SUBSTANCE OF OUR TWO POSITIONS. SEPARATELY HE WOULD WISH TO WORK OUT WITH THE PRIME MINISTER A FORMULA WHICH COULD BE USED AT THE PRESS CONFERENCE TO

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DEFINE OUR RESPECTIVE POSITIONS FOR THE PUBLIC. THE MORE CLOSELY OUR POSITIONS WERE ALIGNED THE GREATER IMPACT THIS WOULD HAVE BOTH ON OUR OWN OPINION AND ON US AND SOVIET NEGOTIATORS. BIANCO SUGGESTED THAT ALTHOUGH THE PUBLIC POSITION NEED NOT FULLY REFLECT THE UNDERLYING AGREEMENT ON OUR ACTUAL CONDITIONS, IT MIGHT DRAW CLOSER TO IT OVER TIME. BIANCO SUGGESTED THAT EVIDENCE OF A FIRM FRENCH POSITION MIGHT BE HELPFUL WITH BRITISH OPINION, NOT LEAST BECAUSE THIS WAS THE POSITION OF A SOCIALIST PRESIDENT. I UNDERTOOK TO REPORT.

4. BIANCO SAID THAT MITTERRAND WOULD HOPE TO LEARN MORE OF OUR OBJECTIVES FOR THE DECEMBER EUROPEAN COUNCIL. I RAN THROUGH THESE BRIEFLY. BIANCO DID NOT ENVISAGE ANY PARTICULAR POINTS OF DIFFICULTY. HE REPEATED (MY TELNO 1220) THAT THE PRESIDENT WAS FIRM ON HAVING ONLY TWO FRENCH PLACES AT THE COUNCIL TABLE AND DID NOT WANT THE DECISIONS TAKEN ON THIS AT THE HAGUE TO BE REOPENED.

5. BIANCO ASKED ABOUT THE FALKLANDS. I SAID THAT YOU AND PERHAPS ALSO THE PRIME MINISTER WOULD WANT TO EXPLAIN OUR REASONS FOR SEEKING A FRENCH ABSTENTION ON THE ARGENTINE RESOLUTION AND POINTED TO THE UNAVOIDABLE LINK WITH THE NEW CALEDONIAN RESOLUTION, WHICH RAISED THE SAME ISSUE OF SELF-DETERMINATION.

6. I CONFIRMED BIANCO'S ASSUMPTION THAT MATTERS RELATING TO TERRORISM WOULD BE VERY MUCH IN BRITISH MINDS AT THE SUMMIT, INCLUDING THE HINDAWI CASE AND THE LINK WITH SYRIA. BIANCO COMMENTED THAT HE HAD BEEN PRESENT THROUGHOUT THE RECENT FRANCO-GERMAN SUMMIT IN FRANKFURT AND WAS CERTAIN THAT NEITHER KOHL NOR GENSCHER HAD SAID ANYTHING TO CAST DOUBT ON THE STRENGTH OF THE BRITISH CASE AGAINST HINDAWI OR TO INCRIMINATE MOSSAD. AT THE MOST THERE HAD BEEN REFERENCE TO UNCERTAINTY ABOUT WHETHER ASSAD WAS PERSONALLY IMPLICATED OR WHETHER VARIOUS SERVICES AND ORGANISATIONS WERE OPERATING INDEPENDENTLY OR EVEN AGAINST HIM. I POINTED TO THE IMPLAUSIBILITY OF THIS THESIS, EVEN IF IT COULD NEVER BE FINALLY DISPROVED. HE DID NOT DISAGREE AND OBSERVED SCATHINGLY (PLEASE PROTECT) THAT THE PRIME MINISTER SHOULD AVOID SPEAKING TO CHIRAC ABOUT THE BERLIN HINDAWI CASE LESS HE UNDERSTOOD HER TO HAVE ATTRIBUTED THAT TOO TO MOSSAD.

7. ON ARMS COOPERATION, BIANCO LAID PARTICULAR EMPHASIS ON THE POSSIBILITY OF A JOINT DECISION ON AWACS OR NIMROD. HE ALSO SUGGESTED THAT IT WOULD BE INTERESTING TO COMPARE VIEWS ON THE NEW US THESIS THAT AIR-BREATHING SYSTEMS, PARTICULARLY BOMBERS, COULD BE AS OR MORE EFFECTIVE THAN BALLISTIC MISSILES. WE AGREED THAT THIS WAS A SUBJECT ON WHICH MINISTERS OF DEFENCE MIGHT WISH TO EXCHANGE VIEWS.

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8. ON THE 1988 VISIT OF THE PRINCE AND PRINCESS OF WALES, HAVING AS YET HAD NO RESPONSE FROM THE ACTING CHIEF OF PROTOCOL (YOUR TELNO 744), I THOUGHT IT BEST TO ALERT BIANCO TO THE SUGGESTED ANNOUNCEMENT BY MRS THATCHER AT THE PRESS CONFERENCE. HE SEEMED UNAWARE OF THE SUBJECT BUT DID NOT APPEAR TO ENVISAGE ANY PROBLEM. ON BILATERAL MATTERS HE PICKED OUT THE CHANNEL TUNNEL AND LAMB AS TWO DOSSIERS WHICH MIGHT BE RAISED, BUT AGREED THAT LAMB SHOULD BE DEALT WITH BY MINISTERS OF AGRICULTURE.

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