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10 DOWNING STREET
LONDON SW1A 2AA

From the Private Secretary

3 October 1987

Dear Resident Clerk,

PRIME MINISTER'S TALK WITH
PRESIDENT MITTERRAND

You might like to ensure that the enclosed letter goes into the Foreign Secretary's box on Sunday night.

Yours sincerely
Charles Powell

CHARLES POWELL

The Resident Clerk,
Foreign and Commonwealth Office.

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SUBJECT cc MASTER

10 DOWNING STREET
LONDON SW1A 2AA

From the Private Secretary

3 October 1987

Dear Tony,

PRIME MINISTER'S TALK WITH PRESIDENT MITTERRAND

President Mitterrand telephoned the Prime Minister this morning, his office having warned us late yesterday evening that he wished to speak to her on the subject of defence.

President Mitterrand said that he wished to raise two matters with the Prime Minister: first to tell her about his conversations with Chancellor Kohl at the Franco-German Summit in Bavaria; and secondly to consider the prospects for Anglo-French nuclear cooperation. He saw the conversation as continuing the sort of discussion which he and the Prime Minister conducted following the Reykjavik Summit.

On the Franco-German aspect, he wanted to let us know that there had been confidential discussions between M. Attali and Herr Teltschik about the possibility of establishing a more formal framework for Franco-German discussions on defence and strategic issues. The structures of the Franco-German Treaty signed in 1963 had already been strengthened on the occasion of the Treaty's twentieth anniversary in 1983. These new proposals would take the process further forward and give substance to the Franco-German Council (which I understood him to say already existed). The initiative for this had come from Chancellor Kohl (a point which he made twice), and the main purpose was to reinforce existing cooperation. There were a number of obvious difficulties in the way of closer cooperation: for instance Germany's membership of the integrated military structure of NATO and France's determination to maintain exclusive national control over her nuclear deterrent. The President interjected that he wanted to make clear that the present German government was not seeking French nuclear cover, as Chancellor Schmidt had done in his time. But if a conflict were to break out in Europe there would be no time for idle chat, and the proposed Council would reduce the time constraints on consultation. It could also work on strategic problems such as the participation of French forces in the forward battle in Europe.

President Mitterrand said that he wanted the Prime Minister to know from him that this idea was around. It might be taken further at the 25th anniversary celebrations of the Franco-German Treaty in late January 1988, although much work remained to be done, and quite likely no more than a declaration of intent would be feasible at that stage. In

essence what he was seeking was a strengthening of the 1983 arrangements rather than a fundamental change in the nature of Franco-German relations on defence matters. He wanted to stress that Mr. Chirac was also behind the initiative. It could become the embryo or nucleus for wider European defence cooperation. Spain and Italy had already expressed interest although there had as yet been no negotiations with them. A Franco-German Council which would be a decision-making body was not for tomorrow. But there was a firm intention on the part of both countries to move forward.

President Mitterrand said that, against this background, he also wanted to see discussions about Anglo-French nuclear cooperation continue. They should cover such issues as coordination of the two countries' nuclear maritime forces, to avoid overlapping in their patrol areas and functions. He would be writing very soon to the Prime Minister to explain his thinking more fully. He was interested in bringing discussion down from the theoretical plane, on which it had largely taken place so far, to consideration of practical possibilities. He was not proposing that the two Governments should reach for the moon, only that they take some useful steps.

The Prime Minister said that she was grateful to the President for speaking frankly to her. She would be equally direct. His first proposition caused her concern. She had been very careful in her public comments on Franco-German defence cooperation, describing it as perfectly natural. She saw no objection to informal contacts. But NATO was and should remain the decision-taking body for Europe's defence, and she feared that the more formal and structured proposals described by the President would undermine NATO. She hoped that France and Germany would make haste slowly. She assumed that the President would not mind her discussing these issues with Chancellor Kohl on the same basis. The President confirmed that he had no objection to this.

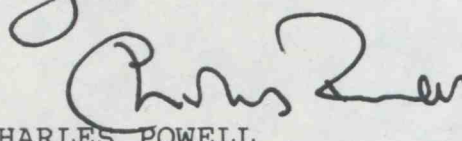
The Prime Minister continued that, on the second point concerning Anglo-French nuclear cooperation, she would prefer to await President Mitterrand's letter rather than try to discuss it on the telephone. There had of course already been some discussions. She had been distressed by the recent leaks to the press. It was better to keep these matters very confidential.

President Mitterrand said that the Prime Minister's reaction contained some sound advice. But there was already a special relationship between France and Germany, including in the defence field. Some improvements had been made to the Franco-German Treaty on its twentieth anniversary and there was no reason why there should not be further improvements on the twenty-fifth anniversary. But the objections of substance mentioned by the Prime Minister must be dealt with seriously. He wanted to stress that he attached great importance to Franco-British cooperation. The Prime Minister replied that she did too.

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In conversation after the call had taken place, the Prime Minister said that she was not at all happy about the trend in Franco-German discussions. They were all too likely to end up weakening Europe's defence rather than strengthening it. It was important to consider the likely impact on opinion in the United States, particularly in Congress. She doubted whether Chancellor Kohl had thought through the consequences. I should contact Herr Teltschik as soon as possible to get the German side of the story, and also make sure that Mr. Carlucci was fully seized of the potential scope and significance of the Franco-German discussions. In fact the first step might best be to let the Prime Minister have an assessment of the direction and likely outcome of the Franco-German discussions. I would be grateful to see this before the Prime Minister's departure for CHOGM on 11 October. As regards Anglo-French nuclear cooperation, we can await President Mitterrand's promised letter.

I am copying this letter to John Howe (Ministry of Defence) and to Sir Robert Armstrong.

Yours sincerely,


CHARLES POWELL

A.C. Galsworthy, Esq., C.M.G.,
Foreign and Commonwealth Office.