NATIONAL SECURITY COUNCIL WASHINGTON, D.C. 20506 SYSTEM II 90284 ADD-ON FOUR

National Security Council Meeting
March 27, 1987, 2:07 - 2:51 p.m., Situation Room

SUBJECT:

French PM Chirac's Official Visit

44780

PARTICIPANTS:

The President

The Vice President's Office:

Donald Gregg

State:

Secretary George Shultz

Deputy Secretary Rozanne Ridgway

Treasury:

Deputy Secretary Richard Darman

Defense:

Secretary Caspar Weinberger

OMB:

James Miller, Director

CIA:

Acting Director Robert Gates

JCS:

General Robert Herres,
Vice Chairman
LTG John Moellering

Assistant to the Chairman

USIA:

Charles Wick

White House:

Howard Baker Frank Carlucci

Kenneth Duberstein

Colin Powell

Minutes

In opening the meeting, the President noted that he was looking forward to his meeting with Jacques Chirac. He said that the PM was one of the leading Conservative voices in Europe and he was pleased to see his presence in office along with Helmut and Margaret. (C)

The President said that he was equally mindful that Chirac was a Gaullist and that in any case he would maintain a certain distance from the U.S. The President noted that he could see some of that traditional French feistiness coming through in Chirac's remarks on our trade policies and his complaints about some of our arms control approaches. President Reagan added that he was interested to get an assessment of Chirac's political standing and how he and Mitterrand were getting along under the cohabitation arrangement. He joked that they truly were the "odd couple" in Europe. Mitterrand had written recently with some of his thoughts on arms control, and also to get a jibe in before Chirac got here. (C)

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President Reagan commented that he knew George and Cap would touch on this in the meeting, but he wanted to point out how impressed he was with the way in which we have worked with the French in Chad. He added that we had provided some very sensitive, but critical help, but we have let the French take the lead. They've done a good job, he concluded. He then asked Mr. Carlucci to kick off the meeting. (S)

Mr. Carlucci reiterated how effective our assistance had been in Chad and how well our cooperation with France had worked. He then noted that Shultz would lead off today's meeting with an overview of Chirac's political situation in France, and touch on some of the Prime Minister's views on major East-West concerns and arms control issues. (S)

Secretary Shultz said that he wanted to address five points: the general situation in France; the state of the U.S.-French relationship; Chirac's basic agenda; what we will want to raise with the PM; and, conclude with some comments on cohabitation. (C)

The Secretary noted that this would be the PM's first visit to Washington, although the President saw him in Tokyo. Chirac was following an unusual schedule by stopping first in New York City, where he would deliver a major speech, meet with Mayor Koch, and have a session with the New York Times Editorial Board. In Washington, Chirac would be meeting separately with the Vice President, Jim Baker and with several Congressmen. (C)

Shultz described Chirac as a pragmatic Conservative, one who shared many of the President's views. Chirac takes pride in his knowledge of the United States and the fact that he studied here, at Harvard. He also hitchhiked around the country and worked as a kitchen helper at a Howard Johnson's Restaurant. (C)

As always, the Secretary continued, we have problems in the relationship. But overall things are going rather well at the present, despite some irritations along the way. France has been very supportive of our position on the major international issues. Paris has been especially good in backing our approach to East-West relations. Shultz commented that we understand Chirac is concerned with our INF "0-0" proposal. He knows this has been an Alliance position for some time, but he was not in office when we agreed to it. He will express some reservations, but probably will say that he will publicly support the 0-0 option. We have have been sparring around with them on the conventional arms negotiations. Basically the French want to do these talks in the context of the CSCE, while we want to do them Alliance-to-Alliance. I think, the Secretary said, that they want to have these negotiations under the CSCE so that nothing happens. They really do not want these negotiations, but feel under broad European public pressure to do so. Therefore, they favor this potentially ineffective forum.



Our cooperation in the politico-military area has been excellent, Shultz continued. Where we have some problems is in the bilateral trade area, particularly on vegetable oil and feed grains. We also have a serious problem regarding the Airbus contract. We feel that Europeans have heavily subsidized this undertaking. (C)

Our cooperation in counterterrorism has been, on the whole, good, said <u>Shultz</u>. However we are never quite sure where they stand. We were not pleased with Chirac's intervention in the Abdallah trial where we believe he tried to moderate the sentence. But French public opinion was heavily on the side of the judge who handed down a very tough sentence. The main problem with the French is getting them to go along with multilateral cooperation in countering terrorism. Our bilateral work has been good but they are reluctant to go beyond that. Clearly we want to make this an agenda item in Venice and we should insist on obtaining a tough statement on terrorism. (S)

Turning to Chirac's domestic standing, Shultz said that the PM's fortunes were declining. He hopes to bolster his image with his visit to the United States. In his discussion here, he will likely want to go into East-West relations fairly extensively. He will tell the President that he is skeptical of Gorbachev's motives and will seek your assessment of the "glasnost" campaign. Chirac is going to Moscow himself in May and we suspect that he will take a fairly firm stance. Still, like most Europeans who see themselves as some sort of bridge between Moscow and Washington, there may be some new proposals emerge. We want to watch this closely. On arms control, the PM will stress that the negotiations cannot result in any reduction of French nuclear systems. He might also express appreciation that you took that position in Reykjavik. Finally, he will probably be prickly on the trade issues, particularly agriculture, given that he has a strong constituency in rural France.

For our part, continued the Secretary, we will want to insure that Chirac has a clear idea of our East-West position. We need to press our views on multilateral cooperation against terrorism and stress that we need to get a Venice declaration on this subject that picks up from the Tokyo statement. On trade, while the President should listen, he will want to give it back to him as well. France has become more realistic on Central America and we should encourage that tendency. Finally, on Africa, since no one has any great ideas we should listen closely to what he may have to suggest. (S)

Shultz said cohabitation continues to be popular in France -- not so much with the politicians but the public at large. Neither the PM nor the President want to be blamed for not making it work. Frankly, so far Mitterrand has gotten the better of the deal. Chirac's standing in the polls has declined and his conservative rival Raimond Barre's fortunes are going up. (C)

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Mr. Carlucci pointed out that there were two further points that we needed to underline. There were significant differences between Mitterrand and Chirac on how far the French should go in supporting Habre in Chad. Frankly, Mitterrand has been the more supportive. Secondly, we are sure that Chirac will be stressing the SRINF problem in the context of the INF negotiations. He will want to underline the necessity of securing some sort of constraint on the Soviet advantage. (S)

Secretary Weinberger began his presentation by stressing that Chirac and France have been excellent in supporting improved defense cooperation. As George said, they can be very difficult at times but overall our military ties have improved greatly. A lot of credit goes to Defense Minister Giraud who has pushed this cooperation. Joint maneuvers are one example of this cooperation. They've worked very well with NATO; while they are not members of the military side of the Alliance they are integrating more. The recent purchase of our AWACs is very significant and this should also enhance NATO interoperability. The bottom line is that should war break out the French will be there. (S)

Weinberger continued that, as George said, Chad has been a great success and as Frank pointed out Chirac does have problems with our INF position. The Secretary said he is concerned with their actions in the conventional negotiations where they have pressed for the CSCE instead of the Alliance forum. In sum, our military-to-military relationship is superb. They have an excellent Minister of Defense and we will be expanding our military-to-military talks. General Herres added that the Chairman of the JCS would be travelling to Paris soon to meet with his counterpart, General Saulnier. (S)

Bob Gates noted that Chirac will argue that our terrorist cooperation has been good. This is simply not the case. We have provided them with considerable information, but have received little in return. However, our cooperation in Chad is clearly going quite well. Secretary Shultz added that the French are very pleased with how we have handled that. We are not perceived as being out front and Habre, therefore, has received most of the credit. (S)

Deputy Secretary Darman observed that the President would be pleased with the direction the French are taking in the domestic economic area. They are attempting to reduce labor market rigidities and are lowering tax rates. The deficit is down but remains a serious concern. (C)

Darman continued that we do have serious disputes with them. If we cannot resolve the problem with vegetable oils this could lead to a major downturn in our soybean exports. While the French charge us with subsidizing our aircraft industry, they have expended considerable sums in supporting the Airbus project.

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The agriculture problem is the most difficult. He pointed out that the President stressed in Tokyo that it was silly that we all subsidized our agriculture sectors. While the French expressed some interest in this point, Darman felt that this interest was feigned. Now Chirac is talking about some sort of a grain cartel, where the major producers will insure the price is pegged high. The PM has an idea that some of the profits from this endeavor could be used to aid the LDCs. We need to be very skeptical of this proposal, he concluded. (C)

In closing, the President expressed his thanks for the excellent briefing. He was well aware of the jockeying that was going on between Mitterrand and Chirac, much of that was in evidence in Tokyo. While there were problems in the relationship it appeared that our ties were quite solid, concluded the President. (C)

The meeting concluded at 2:51 p.m. (U)

NATIONAL SECURITY COUNCIL WASHINGTON, D.C. 20506

SYSTEM II 90284 ADD-ON FOUR

March 28, 1987

ACTION

MEMORANDUM FOR FRANK C. CARLUCCI

FROM:

FRITZ W. ERMARTH

SUBJECT:

Memorandum of Conversation, National Security

Council Meeting, March 27, 1987, 2:07 - 2:51 p.m.

RECOMMENDATION

That you anthorize Grant Green to sign the memo at Tab I transmitting the MEMCON at Tab A to State.

Approve

Disapprove___

Prepared by: Tyrus W. Cobb

Attachments

Tab I Grant Green's Memo to Counterparts
Tab A MEMCON

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NATIONAL SECURITY COUNCIL WASHINGTON, D.C. 20506

SYSTEM II 90284 ADD-ON FOUR

MEMORANDUM FOR MELVYN LEVITSKY

Executive Secretary Department of State

SUBJECT:

Memorandum of Conversation, National Security Council Meeting, March 27, 1987, 2:00 - 3:00 p.m.

Attached at Tab A is a copy of the MEMCON of the National Security Council Meeting on French PM Chirac's Visit, March 31, 1987.

Grant S. Green, Jr. Executive Secretary

Attachment

Tab A MEMCON

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White House Guidelines, August 28, 1997
NAPIA, Date 115

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