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FOR DAIN (WED) FROM LLEWELLYN SMITH

PRIME MINISTER'S MEETING WITH PRESIDENT MITTERRAND, 30 NOVEMBER

1. JACQUES ATTALI HAS INVITED THE AMBASSADOR TO LUNCH ON 14 NOVEMBER TO PREPARE FOR THE MEETING BETWEEN THE PRIME MINISTER AND PRESIDENT MITTERRAND ON 30 NOVEMBER.

2. IN PREPARATION FOR THIS LUNCH THE AMBASSADOR HAS ASKED FOR A FULL BRIEF WHICH HE WILL WANT TO LOOK AT OVER THE WEEKEND 12/13 NOVEMBER. HE WOULD LIKE IT TO COVER THE MAIN SUBJECTS LIKELY TO COME UP ON 30 NOVEMBER. I SHOULD BE GRATEFUL FOR YOUR COMMENTS, REFLECTING AS APPROPRIATE NO 10'S, ON WHAT THESE SUBJECTS ARE, AND POINTS TO BEAR IN MIND IN PUTING THEM TO ATTALI. I HOPE YOU CAN REPLY BY 9 NOVEMBER.

3. MY OWN FIRST THOUGHTS ARE AS FOLLOWS.
THE TWO BIG SUBJECTS WILL BE (A) EAST/WEST AND TRANSATLANTIC RELATIONS, AND (B) THE EUROPEAN COMMUNITY.

MITTERRAND WILL HAVE JUST RETURNED FROM MOSCOW AND IS BOUND TO WANT TO CONVEY HIS IMPRESSIONS. (IT MIGHT BE TACTFUL TO ENCOURAGE HIM TO START WITH THESE). DISCUSSION OF EAST/WEST RELATIONS AND HOW TO DEAL WITH THE GORBACHEV PHENOMENON SHOULD BE COUPLED IN MY VIEW WITH DISCUSSION OF THE MAJOR PROBLEMS FACING THE ALLIANCE IN 1989 IN THE LIGHT OF (A) GORBACHEV'S LONG TERM AIMS IN EUROPE (DENUCLEARISATION) AND (B) THE OUTCOME OF THE UNITED STATES PRESIDENTIAL ELECTION AND ITS IMPLICATIONS FOR EUROPE.

4. MITTERRAND WILL NEED CAREFUL HANDLING IF HE IS TO BE PERSUADED TO COME TO A NATO SUMMIT IN THE UNITED KINGDOM. IT WOULD BE GOOD IF THE PRIME MINISTER COULD EXPLAIN OUR THINKING ON 1989 NATO SUMMITRY TO HIM. PLEASE LET US KNOW IF YOU WANT THE AMBASSADOR TO SAY ANYTHING TO ATTALI ON THIS SCORE: WE ARE NOT AWARE OF THE LATEST THINKING IN LONDON.

5. FRANCO/BRITISH DEFENCE COLLABORATION (WITHIN A WIDER EUROPEAN

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FRAMEWORK) ENGAGES BOTH LEADERS (CF THEIR EXCHANGE OF LETTERS) BUT THE TWO COUNTRY'S PARTICULAR INTERESTS DO NOT EASILY FIT TOGETHER. MITTERRAND'S IHEDN SPEECH SHOWS THE SCOPE FOR MISREPRESENTATION. ATTALI HIMSELF IS LIKELY TO RAISE THE SUBJECT SINCE THE AMBASSADOR TOOK UP SOME OF MITTERRAND'S POINTS IN A LETTER TO BIANCO, SECRETARY-GENERAL OF THE ELYSEE (COPIED TO JOHN BOYD). THIS WHOLE AREA IS ONE WHERE I WOULD VALUE ANY STEER YOU CAN GIVE US FOR THE AMBASSADOR'S LUNCH, TAKING INTO ACCOUNT THE CONCERNS WHICH HE DISCUSSED RECENTLY WITH BOYD.

WHITHER EUROPE?

6. THE MEETING WILL TAKE PLACE JUST BEFORE THE RHODES EUROPEAN COUNCIL AND THE GATT MTM IN MONTREAL. IT WILL PROVIDE A GOOD OPPORTUNITY TO LOOK FOR A COMMON APPROACH TO ANY ITEMS WHICH LOOK LIKELY TO BE DIFFICULT TO HANDLE AT RHODES. BUT I SUGGEST THAT WE SHOULD AIM TO AVOID A DISCUSSION FOCUSED TOO CLOSELY ON THE IMMEDIATE ISSUES AND INSTEAD TRY TO FOCUS ON THE LONGER TERM: 'WITHER EUROPE?', MITTERRAND'S APPROACH TO THE FRENCH PRESIDENCY, HOW HE SEES THE BIG DOSSIERS, MONETARY, FISCAL AND SOCIAL. WHAT MITTERRAND HOPES TO ACHIEVE FROM THE FRENCH PRESIDENCY, IT SEEMS TO ME, IS A PLACE IN HISTORY. OUR AIM MIGHT THEREFORE BE TO LOOK FOR WAYS OF HELPING HIM TOWARDS A FRENCH 'ACHIEVEMENT' WHICH AT THE SAME TIME ADVANCES OUR OWN NATIONAL INTERESTS.

7. AS TO THE GATT MTM, THERE IS PRECIOUS LITTLE GIVE IN THE FRENCH POSITION ON AGRICULTURE BUT THERE IS COMMON GROUND TO BE FOUND IN OTHER AREAS. BUT I DOUBT WHETHER IT WILL BE EASY TO GET MITTERRAND TO FOCUS ON THE DETAILS.

8. ANOTHER POSSIBLE SUBJECT IS THE ENVIRONMENT. DO YOU WANT THE AMBASSADOR TO FLAG THIS TO ATTALI AS ONE FOR DISCUSSION ON 30 NOVEMBER?

FERGUSSON

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