

PRIME MINISTER

## MEETING WITH PRESIDENT MITTERRAND

You may like to have a first look tonight at the FCO's brief for your meeting with President Mitterrand on Friday. You will see that their proposed strategy for the meeting is to focus discussion on defence and arms control and make increased Franco-British co-operation in this area the 'news' from the meeting, with Community and other issues taking a back seat. Specifically, they propose that officials should be charged with bringing our thinking as close as possible on defence and arms control with Foreign and Defence Ministers reviewing proposals at the regular Summits.

It is essentially a procedural suggestion: we are in practice already discussing most of these issues with the French regularly. The real test is activity - exercises, joint planning, practical co-operation - not talk. I am not therefore convinced that the proposal will have the impact that the FCO expect. Moreover, I think it needs to be preceded by a discussion about Germany and our respective attitudes to the German problem, because the extent to which we can co-operate on defence and arms control will depend in large part on that. However, defence clearly is an important subject for discussion: and to give it more point, you might suggest to President Mitterrand that officials be charged to come up with specific proposals for practical co-operation, to be examined at the next formal Anglo-French Summit.

That apart, the brief covers:

- East/West, including Eastern Europe, where you will want to focus in particular on Poland and on your forthcoming meeting with Gorbachev;
- EC issues. I doubt President Mitterrand will be much interested in ranging as widely over EC issues as the FCO

suggest, but will want to focus on economic and monetary union, social affairs and enlargement (which presents no particular problem between us). You are not offered anything very new to say on economic and monetary co-operation, presumably because our alternative proposals for the next stage have not yet materialised. But it is important that President Mitterrand should sense your continuing strong determination not to be bounced into commitments on the future stages. On social affairs, you will want to make clear that you hold firm to three principles: diversity, subsidiarity and voluntarism. You will judge any declaration by the extent to which it preserves these principles. On both issues, you will want to find out what he believes is a realistic outcome at the European Council in December;

- environment and drugs. There is not a lot to add to what was discussed at the Summit. But you will want to head off any attempt to revive ideas for a North/South Summit;
- other international issues. This covers Lebanon, Cambodia, Arab-Israel, Southern Africa, Argentina.

I should add that, when the French Ambassador came to see me this evening, he thought that President Mitterrand would want to give priority to EC issues. I said that I did not think you would much mind in what order the subjects were taken. He also said the FCO had told him you would be unveiling new proposals on defence and military co-operation. I said this was a bit premature: there would be nothing dramatic.

I have also put in the folder the two documents you wanted on social affairs (Council of Europe and Jack Peel) and my earlier note on the Mitterrand meeting.

C.D.P.  
 CHARLES POWELL  
 30 August 1989