

PRIME MINISTER

MEETING WITH PRESIDENT MITTERRAND

The FCO have prepared a complex of papers for your meeting with President Mitterrand on Saturday. They deal with:

- Western Security in the 1990s.
- Anglo-French Defence Cooperation; and
- German reunification.

You may like to have a first look at them now.

The papers are distinguished essays, but perhaps a bit too cerebral and too complicated. We need to stand back a bit and consider the essentials.

We have three worries. First, that arms reductions will get out of hand and reduce defence below what we consider a safe level. Second, that German reunification will happen quickly and will create an economic and political monster, which will become the dominant force in Europe (and could at worst revert to the type of Germany we have witnessed twice this century). Third, that the Americans will lose interest in Europe, leaving us inadequately defended and face to face with the German Frankenstein.

The French certainly share these worries: indeed developments in Europe should impel us together. We are Europe's only two nuclear powers. We share an historical aversion to excessive German power. We are likely to see our positions as Permanent Members of the UN Security Council challenged by Germany and Japan in the new decade. Ergo, we ought to jump into each other's arms and constitute a substantial counter-weight to Germany.

But would it actually work? For over a thousand years, Anglo-French cooperation has been the exception, not the rule. When it has existed, it has been short-lived and generally

unsatisfactory. When we have relied on the French, they have been found wanting. The consequent psychological gulf is very deep and difficult to bridge.

Moreover, over the last forty years the French have invested very heavily in friendship with Germany. They consult frequently. Their currencies are linked. They have a joint military brigade. They have forged joint institutions. Whatever Mitterrand may say privately to you, the French publicly encourage Germany's reunification. At the same time, they remain outside NATO's integrated military structure. And they have a very different view of how the European Community should develop.

Against this background, it requires a massive act of faith to believe that they are going to switch from a German policy to a British policy. In practice it just is not going to happen, particularly at a time when the French perceive us as weakened by our current economic difficulties.

So scepticism is the order of the day. We should not put much weight on the French alternative. At best we are an insurance policy for them: and an opportunity to make France the arbiter of Europe, the hub with spokes radiating out to Germany, the United States and Britain.

But it's easy to be iconoclastic. What can we do that is constructive, bearing in mind that we are at a turning point and the choices we make now are as crucial as any which have faced us since the 1940s?

I suggest the following:

- you are the senior statesman of the Western world, and the others listen to you. You've got to keep making the case for adequate defence, including the continuing need for both strategic and theatre nuclear weapons and some form of collective defence in Europe.
- for all its present tergiversations, the United States remains the country which most strongly shares the same

ideals and whose basic instincts are closest to our own. They have been our help and our strength in times of great danger. We have to strain every sinew to keep the United States engaged in Europe, a close ally of the United Kingdom and resolute in defence whatever the fluctuations in the Soviet threat. It's going to be uphill work, with the Administration and Congress both wanting to retrench. You will have to work directly on American public opinion, as well as on President Bush. The Americans will be nudging us towards closer cooperation with others in Europe: what we want and need is even closer cooperation than at present with them. This should be a far higher priority than sidling up to the French.

- that is not to deny there could be some tactical advantages in offering closer defence cooperation with the French, provided that we don't put too much weight on it. You could try the points in the FCO note on President Mitterrand: at least it will put them to the test, and show whether they really want closer cooperation or are just toying with us. Experience so far is that their main interest in defence co-operation is to sell us their ASMP.
- there is another point about cooperation with the French. As proposed by the FCO, we would go a long way to meet the French. We are offering to co-operate more closely with them than with governments who are part of NATO's integrated military structure. If our offer were taken up, it would mean a major shift in our defence alignment. The French are not being asked to concede anything much. To even things up, we should be asking for a greater degree of French understanding for our views on the future of Europe. Otherwise the deal is one-sided.
- at the end of the day, dealing with the French is only a substitute for dealing direct with Germany. (Why pay the milkman, when you can go straight to the cow.)

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- 4 -

We should give just as high priority to a fresh attempt to draw the Germans into understandings about future defence and arms control policies and the management of reunification. And while they may not count for as much, we should not neglect the Italians, Dutch, Portuguese and others.

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16 January 1990

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