PRIME MINISTER

MEETING WITH PRESIDENT MITTERRAND

You fly to Paris on Monday morning for a meeting and working lunch with President Mitterrand, returning to London immediately thereafter. The usual form is a 30/45 minute talk in the President's office before moving downstairs to lunch. The only people present besides the President and yourself will be M. Bianco (the Secretary-General of the Elysée), Christopher Thiery (President Mitterrand's excellent interpreter, who does both English/French and French/English to save time) and me. Discussion tends to be quite free-wheeling and Mitterrand does not use notes or a brief of any sort.

The main subject will certainly be the Gulf. Here the French are

a potential weak link. The charitable interpretation of their

recent behaviour is that Mitterrand will only get public support for the use of French forces against Iraq if he has been through a demonstrably "French" process first, not just carried along on American coat-tails. This means that he has to be seen to be pursuing his own initiatives and reaching his own conclusions, but will be all right on the night. We would be unwise to bank on this. If the UN Secretary-General's mission to Baghdad fails, all the signs are the French will want to launch some other attempt to set up a meeting: either Dumas (or even just possibly Mitterrand himself) to Baghdad: or something involving the EC Troika. They have made a number of ambivalent statements recently, suggesting that the conditions for Iraqi withdrawal are not set in stone: and even calling for a firm commitment to an international conference on the Palestinians in 1991. You will want to press Mitterrand hard to clarify French intentions and lift the veil of ambiguity. You will want to stress that any division in the ranks of the international coalition will only

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provide aid and comfort to Saddam Hussain and make him think that

international community's message so close to 15 January. Saddam Hussain may well start wriggling: we must keep his feet to the

he can evade the UN deadline. We must not dilute the

There are a number of other issues to cover, although the list in the FCO's brief is probably overly ambitious. On the <u>defence</u> side, you might mention the successful visit paid to London by his military adviser Admiral Lanxade. There is a lot more to be done to clarify our respective views on how to handle Europe's defence. The French seem still to hanker after a body separate from NATO for the defence of Europe. You will want to emphasise the importance of rooting European defence co-operation firmly within NATO, which must remain the body within which we organise collective defence.

The subject of Anglo-French nuclear co-operation is likely to come up. The FCO and, to a much lesser extent the MOD, are fascinated by the possibilities of this. But the danger is ever present that if we tilt too much towards co-operation with the French we shall give the Americans the excuse to reduce what they give us in the nuclear field, which would be a disaster. The French hope to entice us into co-operation on their next generation air-launched missile. We don't have to say no at this stage: but equally we should not be too forthcoming, because at the end of the day I believe it will be much more expensive and considerably more dodgy than buying an American system off the shelf.

You will certainly want to discuss the <u>GATT</u> negotiations, on which the French have recently shown themselves to be even more anti-American. They affect to believe that the mid-February deadline is not a real one and doubt the need for additional flexibility by the EC. They will certainly seek a generous package of compensation for any concessions. Mitterrand apparently resents what he sees as attempts to make a link between the GATT and the Gulf. You might cast over him Brian Mulroney's tentative proposal for a G7 Summit: I expect he will hate it. You will need to be fairly firm with him on the need for progress if we are to avoid a major bust-up with the Americans and damage to the prospects of restoring economic growth.

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I doubt there will be much time for <u>European Community</u> issues, although you may want to explore the apparent divergence between Beregevoy's willingness to look at our hard écu scheme: and the preference of Mitterrand and Dumas for the Delors plan. It would be interesting to know whether the French intend to table a text of their own on EMU.

Finally, Mitterrand has said that he would like to have an exchange of views on developments in the <u>Soviet Union</u>. You might use this to raise, among other things, handling of the IMF Report on the Soviet economy and the conclusions to be drawn.

You will find briefing from the FCO in the folder, together with a note from the Treasury on EMU, a scene-setting telegram from our Ambassador and notes of your last meeting with Mitterrand in Rome.

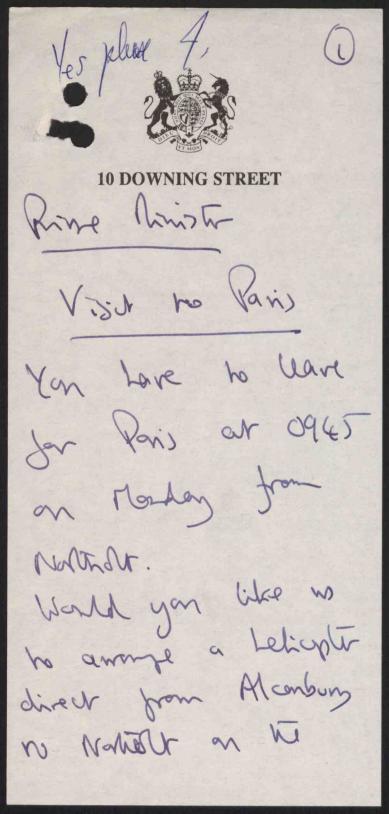
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CHARLES POWELL

11 January 1991

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Namy thanker! PRIME MINISTER ARRANGEMENTS FOR MONDAY MORNING It is a bit difficult to get a helicopter on Monday morning. We have arranged that the rest of us will fly up to RAF Alconbury with the HS125, pick you up there and then fly on to Paris. We shall need to take off from Alconbury at 0940: so you will want to be there at about 0930. I hope this is convenient. CHARLES POWELL 11 JANUARY 1991 c:\wpdocs\foreign\Alcon



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