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Foreign &
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London SW1A 2AH

Jean Shepherd,

ANGLO-FRENCH SUMMIT, 24 JUNE 1991

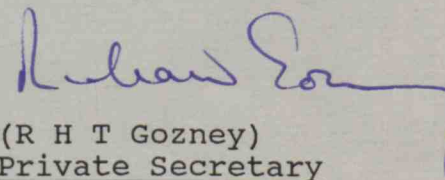
It is worth the Prime Minister having briefing on the EC/US Airbus dispute against the possibility that President Mitterand raises this in the context of discussions on the Uruguay round. The following has been cleared with DTI.

If the Prime Minister raises the need for progress in the Uruguay round President Mitterand may cite US policy on Airbus as an argument against a positive EC line. The position on Airbus is that we have tried, so far unsuccessfully, to convince the US Administration of the dangers of proceeding with action in the GATT against general government support for Airbus and of our willingness to reach a negotiated multilateral agreement limiting subsidies. An Airbus ministerial meeting on 19 June agreed that the European side should continue to press for multilateral negotiations in the GATT with the US and others. The French and Germans are taking a noticeably hard line on how to deal with the US. If asked the Prime Minister may wish to say that:

- we do not support linkage of the Airbus dispute and the Uruguay round.
- we should work to get the US back to the negotiating table.
- to this end we need to show the US that we are serious about seeking an early agreement in the GATT.

I am copying this letter to Martin Stanley in the DTI.

Yours ever,


(R H T Gozney)
Private Secretary

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