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PRIME MINISTER

MEETING WITH M. CHIRAC

You are to have a working breakfast with M. Chirac in Berlin on 25 September. He will be accompanied as usual by M. Bujon.

At your last meeting you talked almost entirely - and not very fruitfully - about EC affairs and the oils and fats tax. The only other subject was the Gulf. You may want to give the EC a rest this time, saving further discussion while we see how far we get in Brussels during the autumn. But I think that it will be necessary for you to meet Chirac again before the Copenhagen European Council.

You might start with a quick review of developments in the Gulf. We are thinking and acting on very similar lines. A tricky point which you ought to tackle is French efforts to secure the release of their hostages. You might put Chirac on guard by saying that you were disturbed by reports that a ransom was paid for the release of a German hostage. This only increases the risk to others. You intend to raise the matter with Chancellor Kohl.

You might also have a quick go over the ground on arms control. Again French thinking is supposedly fairly close to ours. Where we most need their support is in resisting the German ambition to launch negotiations on short-range nuclear missiles under 500 km in range.

You ought to raise the Falklands vote. Last year you seemed to have convinced Chirac to bring France back to an abstention, but he then discovered Mitterrand had publicly committed France to a vote for the resolution and backed down. He asked to be given more notice next time. You will want to tax him with this. President Mitterrand is about to visit

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Argentina so it is probably unrealistic to expect Chirac to win. Also on this subject, you ought to repeat our strong hope that France will stop supporting the Argentine Condor missile programme (their Foreign Minister has already given some assurances on this).

At the time of the last CHOGM, the French got very wound up because of communique language on New Caledonia and on French nuclear tests in the Pacific. We will do our best again this time to moderate any language - more especially if the French are ready to take account of our concerns on the Falklands - but we have no veto.

You will want to say that every effort is being made to discourage Mr Le Pen from coming to Blackpool, but our legal powers are very limited.

Finally on the European Community, you might:

- recall your discussion in July;
- say that there is no point in talking again about the oils and fats tax on which your position has not changed (nor, no doubt, his);
- welcome the fact that respective officials seem to be making good progress in bringing together our views on budget discipline and on agricultural stabilisers;
- but remind him that you have still not had a clear answer to your question whether he would prefer to postpone an attempt to reach a conclusion until after the French Presidential election;
- disabuse him of any notion that you are ready to let him have a settlement for 1988 alone, with some additional resources but without full satisfaction on your other points;

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- propose that you meet to discuss these matters again later in the autumn but ahead of the Copenhagen European Council (emphasising that it is his views not yours which need to change in the meantime).

C.D.P.

Charles Powell

21 September 1987