



CONFIDENTIAL

ANGLO-FRENCH SUMMIT, 20-21 OCTOBER 1983

GAME PLAN (DRAFT)

... 1. Paris telno 937 attached sets the scene for the Summit. The
... Joint Report agreed by Foreign Ministers reviews bilateral
... relations. Paris telno 934 reports Elysée views on the likely
French approach to the Summit. All are attached.

First tête-à-tête with President Mitterrand (20 Oct: 1915-2015)

2. This meeting should be used to establish common ground.

3. The Prime Minister might welcome President Mitterrand's acceptance of the invitation to pay a State Visit in 1984, and move on to East/West relations, INF and British and French nuclear forces. She will want to cover her visit to Washington, President Mitterrand's speech at the UN (including the proposal for a conference of the five nuclear powers) and the results of Genscher's talks in Vienna on 15/16 October with Gromyko; and to reconfirm British and French views on INF deployment (which President Mitterrand did in uncompromising terms during his visit to Belgium last week) and the non-inclusion of British and French forces in the Geneva INF negotiations.

4. Turning to the international economy, the Prime Minister might assess the prospects for continuing recovery between now and the London Economic Summit, review current French and British economic

CONFIDENTIAL

/priorities



CONFIDENTIAL

- 2 -

priorities, and note those elements in US policy which are still unfavourable to growth in Europe.

Dinner

5. Dinner may not allow much substantive discussion, but President Mitterrand could be invited to comment on Iran/Iraq and Chad. (These will be covered in greater detail by Foreign Ministers - see para 7).

Second tête-à-tête (21 Oct: 0900-1040)

6. This part of the meeting could concentrate on:

(a) Community issues, stressing the urgency of progress towards completion of the post-Stuttgart negotiations, our interest in working with the French to achieve that, and our requirement for budgetary equity and strict control of agricultural expenditure. The Prime Minister could say that we do not believe our safety net proposal need be unacceptable to the French, and that we hope President Mitterrand can agree that officials should go over the ground thoroughly after the Summit to find points in common. The Prime Minister might respond positively to President Mitterrand's proposals for European industrial cooperation, underlining the similarities in the French paper on New Policies and the British paper on Other Policies. (see also (c) below)

(b) Falklands, pressing the President to abstain on the Argentine resolution at the UNGA, to prevent French representatives from favouring alternative resolutions or wording, and to continue not to sell sensitive weapons to Argentina.

/(c)

CONFIDENTIAL



CONFIDENTIAL

- 3 -

(c) Bilateral relations, with the Joint Report by Foreign Ministers as the starting-point. The Prime Minister might:

(i) agree to endorse the Joint Report at the plenary session;

(ii) draw attention to progress in the energy field (UK has joined work on fast breeder reactors; cross-Channel electricity link; nuclear power station at Guangdong; discussions on cross-Channel gas link);

(iii) say that we are ready to look at practical industrial collaboration in other areas, bearing in mind the recent change of emphasis in French industrial management towards a less dogmatic, more practical approach;

(iv) propose regular high-level meetings of officials to identify promising projects including defence procurement.

The Prime Minister may need to parry any French attempts at criticism on:

- (i) not using Ariane for launching Skynet;
- (ii) launch aid for Airbus A320;
- (iii) no passport excursions

/Finally

CONFIDENTIAL



CONFIDENTIAL

- 4 -

Finally, the Prime Minister might express satisfaction at the growing cooperation against international terrorism, and note that action by French services has already helped the UK, for which we are grateful. She could say she is glad that the problem over rates for cultural premises is on the way to solution.

Other Meetings

7. Meetings between other Ministers will take place during the Prime Minister's two tête-à-tête meetings. Foreign Ministers will join the second at 10.00. It will be important that the main points on the Community and the Falklands are made or repeated in front of Monsieur Cheysson.

CONFIDENTIAL

GRS850

CONFIDENTIAL

CONFIDENTIAL

FM PARIS 171800Z OCT 83

TO IMMEDIATE FCO

TELEGRAM NUMBER 937 OF 17 OCTOBER 1983

INFO ROUTINE EC POSTS AND WASHINGTON

CORRECTED VERSION

PRESIDENT MITTERRAND'S APPROACH TO THE ANGLO-FRENCH SUMMIT:

20 - 21 OCTOBER

SUMMARY

1. MITTERRAND IS AT PRESENT HAVING A BUMPY RIDE. HE CAN BOAST FEW SUCCESSES. AT HOME THE STATE OF THE ECONOMY IS A MAJOR CONCERN. IN FOREIGN POLICY HE IS WALKING ONE TIGHTROPE AFTER ANOTHER AND WILL NEED LUCK NOT TO TAKE A TUMBLE. HE IS OBLIGED TO TAKE A MORE PROMINENT ROLE IN DEFENDING GOVERNMENT POLICY THAN PREVIOUSLY. HE HAS LITTLE ROOM FOR MANOEUVRE. BUT HE IS UNDER NO SERIOUS POLITICAL THREAT BEFORE 1986.

DETAIL

FRENCH ECONOMY

2. THE PRESIDENT'S GREATEST SHORT TERM PREOCCUPATION, REDUCTION OF THE EXTERNAL DEFICIT, HAS BECOME LESS ACUTE AS TRADE FIGURES HAVE IMPROVED. THE TARGET OF REDUCING THE TRADE DEFICIT BY ONE THIRD FROM LAST YEAR SHOULD BE MET. THIS TREND SHOULD CONTINUE NEXT YEAR, THOUGH FRENCH GDP GROWTH IS LIKELY TO REMAIN AROUND ZERO.

3. THE STATE BUDGET DEFICIT IS UNDER CONTROL. INFLATION IS INCHING DOWN, BUT FRANCE WILL END THE YEAR WITH A RATE WELL ABOVE THAT OF HER MAIN COMPETITORS. THE NUMBER OF REGISTERED UNEMPLOYED HAS BEEN STABLE FOR SOME MONTHS, BUT A SUSTAINED RISE IS NOW FORECAST. A FOURTH DEVALUATION IS WIDELY EXPECTED IN THE NEXT SIXTH MONTHS. MITTERRAND MUST ALSO BE WORRIED BY THE FAILURE OF COMPANIES TO RESPOND TO GOVERNMENT EXHORTATIONS TO INVEST (INVESTMENT HAS CONTINUED TO FALL THIS YEAR) AND BY THE CONTINUING DETERIORATION IN COMPANY FINANCES. THE 1984 BUDGET PROVIDES FOR ANOTHER RISE IN THE SHARE OF NATIONAL INCOME TAKEN BY THE STATE AND THE SOCIAL SECURITY SYSTEM. FACED WITH THE UNPOPULARITY OF FURTHER TAX INCREASES, MITTERRAND HAS PROMISED TO REVERSE THE TREND IN 1985, THE YEAR BEFORE THE NEXT NATIONAL ASSEMBLY ELECTIONS, BUT HE WILL FIND IT EXTREMELY DIFFICULT TO DO SO.

CONFIDENTIAL

/IMPLICATIONS

CONFIDENTIAL

IMPLICATIONS FOR FRANCE'S EUROPEAN COMMUNITY POLICY

4. TRADITIONAL FRENCH OBJECTIVES WITH REGARD TO THE EC HAVE BEEN REINFORCED BY THE ECONOMIC CLIMATE. AGRICULTURAL DEVELOPMENT AND INCREASED FOOD EXPORTS ARE SEEN AS EVEN MORE NECESSARY FOR EMPLOYMENT AND BALANCE OF PAYMENTS REASONS. FRANCE HAS NO WISH TO BECOME A NET MAJOR CONTRIBUTOR TO THE BUDGET- AND WANTS ONLY A RELATIVELY MODEST INCREASE IN OWN RESOURCES. PROBLEMS ON THE DOMESTIC INDUSTRIAL FRONT ADD ATTRACTION TO JOINT MULTILATERAL (AND SOME BILATERAL) PROJECTS AND TO PROPOSALS FOR IMPROVED RESEARCH COLLABORATION.

FOREIGN AFFAIRS

5. MITTERRAND MUST BE FEELING RATHER EMBATTLED AT THE MOMENT ON THE INTERNATIONAL FRONT. THE DESPATCH OF FRENCH TROOPS HAS BROUGHT A TEMPORARY RESPITE IN CHAD, BUT IT IS A RISKY OPERATION WITH NO SOLUTION IN SIGHT. THE FRENCH WOULD LIKE TO REDUCE THEIR MILITARY PRESENCE IN LEBANON BUT CANNOT. THEIR RETALIATION AGAINST SYRIAN OR SYRIAN-INSPIRED SHELLING HAS MADE IT HARD FOR THEM TO GET BACK ON TO THEIR PREFERRED COURSE OF BEING TRUSTED INTERMEDIARIES. MITTERRAND'S BIGGEST HEADACHE IS THE GULF WAR AND HIS COMMITMENT TO SUPPLY SUPER ETENDARDS TO IRAQ. FRANCE IS LIKELY TO BE IN THE FRONT LINE FOR IRANIAN REPRISALS. DOMESTIC OPINION IS EITHER CRITICAL OR APPREHENSIVE ABOUT FRANCE'S INVOLVEMENT ON THESE THREE FRONTS SIMULTANEOUSLY.

6. ON THE OTHER HAND MITTERRAND'S HANDLING OF EAST-WEST ISSUES IS GENERALLY APPLAUDED. HIS FIRM LINE ON INF IS POPULAR AND FRANCE'S DISAPPOINTING RESPONSE AFTER THE SHOOTING DOWN OF THE KOREAN AIRLINER HAS HARDLY DENTED HIS IMAGE. MITTERRAND WILL PROBABLY WANT TO MAKE THE FIRM LINE HE AND THE PRIME MINISTER TAKE ON INF ONE OF THE MAIN THEMES OF THE SUMMIT, NOT LEAST BECAUSE HE IS WORRIED ABOUT THE GERMANS (THOUGH NOT KOHL PERSONALLY). HE WILL ALSO WANT TO STRESS THE CLOSENESS OF FRENCH AND BRITISH VIEWS ON KEEPING OUR INDEPENDENT DETERRENTS OUT OF THE PRESENT DISARMAMENT EQUATION. FOR ALL HIS FIRMNESS ON INF, MITTERRAND STILL FEELS THE TRADITIONAL FRENCH PRICKLINESS TOWARDS THE US AND DETESTS APPEARING TO FOLLOW ANY US LEAD (HE FEELS HE WAS RAILROADED AT WILLIAMSBURG INTO SIGNING THE DECLARATION ON SECURITY).

CONFIDENTIAL

DOMESTIC

7. SINCE THE EARLY SUMMER MITTERRAND HAS MOVED INTO THE FRONTLINE IN DEFENCE OF HIS GOVERNMENT'S POLICIES, BUT GREATER MEDIA EXPOSURE HAS NOT HALTED THE SLUMP IN HIS STANDING IN THE OPINION POLLS. MITTERRAND NOW ENJOYS LESS POPULAR ESTEEM THAN ANY OF HIS PREDECESSORS AT THE ELYSEE UNDER THE 5TH REPUBLIC. HARDLY A WEEKEND GOES BY WITHOUT THE LEFT SUFFERING FURTHER SETBACKS IN LOCAL BY-ELECTIONS. THE SLIDE IN THE LEFT'S ELECTORAL FORTUNES HAS PUT THE ALLIANCE BETWEEN SOCIALISTS AND COMMUNISTS UNDER STRAIN, ALTHOUGH BREAKING POINT HAS NOT BEEN REACHED.

8. MITTERRAND HIMSELF SEEMS UNRUFFLED. HE HAS LITTLE ALTERNATIVE TO HIS PRESENT COURSE. SOPS TO THE LEFT WOULD FURTHER ALIENATE MODERATE PRO-SOCIALIST VOTERS. FURTHER RIGOUR MIGHT PUSH THE COMMUNISTS OVERBOARD. MITTERRAND'S POSITION AS PRESIDENT IS NOT HOWEVER IN ANY DANGER. HE REMAINS ASSURED OF HIS PARLIAMENTARY MAJORITY UNTIL 1986: A NO-CONFIDENCE MOTION WAS HEAVILY DEFEATED ON 12 OCTOBER. THE AUTHORITY CONFERRED ON HIM BY THE OFFICE OF PRESIDENT IS LARGELY UNAFFECTED BY THE PRESENT STATE OF PUBLIC OPINION. HE CAN COPE WITH SHORT-TERM UNPOPULARITY IN BOTH DOMESTIC AND FOREIGN AFFAIRS AS LONG AS THERE IS A PROSPECT OF REGISTERING SOME SUCCESSES IN 1985/86. BUT HE CANNOT AFFORD TO APPEAR NEGLIGENT OF FRENCH INTERESTS.

FRETWELL

FCO/WHITEHALL
WED

³
CONFIDENTIAL