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Foreign and Commonwealth Office

London SW1A 2AH

19 January 1984

Dear John,

Visit of the Prime Minister to France: 23 January

I enclose the remainder of the briefing for the Prime Minister's talks with President Mitterrand next Monday. You have already had the Community briefs. The administrative details are being handled separately.

The main purpose of the visit is to discuss Community business but, as the Foreign Secretary said in his minute of 5 January, it might be useful if the Prime Minister were to lead in to Community topics with some discussion of the major issues on which there is a good deal of common ground between us and with which President Mitterrand is more at home. We have, therefore, prepared short briefs covering East/West policy, Arms Control and Disarmament and Middle Eastern issues. There is a short bilateral brief inviting the Prime Minister to make one or two points and providing her with defensive briefing on issues which the President might raise.

The Prime Minister is going to Paris at a difficult time for President Mitterrand and the French Government. The Government is grappling with the problems of trying to push through its policy for planned redundancies in overmanned industries in the face of shop floor resistance. The President himself has felt obliged, with the Presidency and following the failure at Athens, to take a closer personal interest in the development of Community negotiations as well as in the deteriorating social conditions in France. His preference for leaving the Prime Minister and Government to handle the details of policy has been responsible for occasional abrupt changes in the direction of French policy once the President's attention has been engaged.

Alone among the major Community countries both the Government and the Opposition in France seem determined to fight the June European Elections in terms of domestic politics. President Mitterrand therefore faces the difficulty of organising a successful French Presidency against mounting

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pressures to protect French national interests and during a time of potential social unrest. His own political sense may make him increasingly cautious about relying on the advice of his Ministers. It is all the more important to influence him in person.

I have written to you separately today about President Mitterrand's interest in coming to the UK for the opening of JET at Culham, now arranged for 9 April.

*Yours ever,*

*Peter Ricketts*

(P F Ricketts)  
Private Secretary

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VISIT OF THE PRIME MINISTER TO FRANCE: 23 JANUARY

NON-COMMUNITY TOPICS: STEERING BRIEF

1. There are short briefs on the following subjects:
  - 1 East/West Relations
  - 2 Arms Control and Disarmament
  - 3 Arab/Israel
  - 4 Lebanon
  - 5 Iran/Iraq
  - 6 Bilateral and other issues
  
2. Rumours have begun to circulate again about a possible visit by President Mitterrand to Moscow. With the CDE just opened in Stockholm, the Prime Minister could seek the President's views on likely developments in East/West relations during a year when the US Presidential Election will increasingly dominate American policy. She may wish to take stock of recent developments both within the Soviet Union and outside, including President Reagan's speech of 16 January and bilateral meetings with Gromyko in Stockholm.
  
3. On arms control and disarmament issues the Prime Minister may wish to take stock following the deployment of NATO's first INF missiles and the hiatus in the Geneva and Vienna talks. She might consider with President Mitterrand how best the West could breathe new life into the arms control process and handle the continuing public debate.
  
4. On the Middle East, it would be interesting to know President Mitterrand's thinking on developments in Lebanon and their effect on the MNF in Beirut. He may also have views on how the Arab/Israel dispute is likely to develop with Yasser Arafat's departure from Lebanon. France's relations with Iraq, her difficulties with Iran and her apparent lack of interest in contingency planning for the Gulf could also be covered.
  
5. The Prime Minister may wish to say something about how she proposes to handle the London Economic Summit. It would be helpful

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if she would draw the President's attention to the bad public effect that the termination by the French of the No Passport Excursions agreement would have.

6. President Mitterrand has strongly condemned in the Council of Ministers the action of French farmers in holding two British lorry drivers hostage recently, and the Prefet of the Department concerned has been dismissed. It is clear that the President is determined to uphold law and order.

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VISIT OF PRIME MINISTER TO FRANCE: 23 JANUARY

BRIEF NO 1: EAST/WEST RELATIONS

1. Soviet efforts in 1983 to split Alliance over INF have failed. But they will keep trying.

2. Russians defensive about withdrawal from Arms Control talks. In such circumstances, instinct tends to be attack (viz Gromyko's CDE speech).

3. Need to keep nerve. Must not give currency to Soviet premise that East/West relations in state of crisis induced by US. NATO declaration of 9 December set right tone.

4. Main requirement remains close Alliance coordination and consistent pursuit of policy: must encourage US to maintain line of Reagan 16 January speech.

5. Need to increase range of East/West contacts and encourage sensible dialogue. Mitterrand's plans to visit Soviet Union? Other Franco/Soviet contacts?

6. Hope to encourage broadening of East/West agenda, discussion of regional issues, common interests. Equally, must not shy off awkward subjects like human rights.

7. But important to be realistic about chances of short-term success. Change comes slowly in Soviet Union.

ESSENTIAL FACTS

8. French have been more active than other members of

Alliance in stepping up bilateral contacts. Franco-Soviet Joint Commission (20-22 November) coincided with major French oil and gas exhibition. Foreign Trade Minister, Mme Cresson, met Prime Minister Tikhonov and Gromyko. Transport Minister Fiterman (Communist) made visit in December. Soviet First Deputy Prime Minister Arkhipov will visit Paris shortly. Renewed rumours that Mitterrand may be contemplating visit to Moscow.

9. French continue to play an independent (and occasionally maverick) hand in Alliance consultations. Though they have been consistently critical of the Russians eg over INF, they have maintained a range of contacts not least with commercial advantages in mind.

10. Gromyko took strong anti-US line in CDE speech (18 January), apparently spurning overtures and moderate tone in Reagan's 16 January speech. But length and range of Gromyko/Shultz discussion on 18 January indicates Russians may be interested in tentative resumption of dialogue in private, while continuing to take unyielding position in public.

HGMAAI

PRESIDENT'S BACKUP COPY:

ADDRESS ON U.S.-SOVIET RELATIONS

Soviet Dept

PS (3)  
PS / [unclear]  
PS / [unclear]  
PS / [unclear]  
S-3 [unclear]  
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WAD  
Defense Dept  
Vesp Dept  
Planning

87-167

DURING THESE FIRST DAYS OF 1984, I WOULD LIKE TO SHARE WITH YOU -- AND THE PEOPLE OF THE WORLD -- MY THOUGHTS ON A SUBJECT OF GREAT IMPORTANCE TO THE CAUSE OF PEACE -- RELATIONS BETWEEN THE UNITED STATES AND THE SOVIET UNION.

TOMORROW, THE UNITED STATES WILL JOIN THE SOVIET UNION AND 33 OTHER NATIONS AT A EUROPEAN DISARMAMENT CONFERENCE IN STOCKHOLM. THE CONFERENCE WILL SEARCH FOR PRACTICAL AND MEANINGFUL WAYS TO INCREASE EUROPEAN SECURITY AND PRESERVE PEACE. WE WILL BE IN STOCKHOLM WITH THE HEARTFELT WISHES OF OUR PEOPLE FOR GENUINE PROGRESS.

WE LIVE IN A TIME OF CHALLENGES TO PEACE, BUT ALSO OF OPPORTUNITIES FOR PEACE. THROUGH TIMES OF DIFFICULTY AND FRUSTRATION, AMERICA'S HIGHEST ASPIRATION HAS NEVER WAVERED: WE HAVE AND WILL CONTINUE TO STRUGGLE FOR A LASTING PEACE THAT ENHANCES DIGNITY FOR MEN AND WOMEN EVERYWHERE. I BELIEVE 1984 FINDS THE UNITED STATES IN ITS STRONGEST POSITION IN YEARS TO ESTABLISH A CONSTRUCTIVE AND REALISTIC WORKING RELATIONSHIP WITH THE SOVIET UNION.

WE HAVE COME A LONG WAY SINCE THE DECADE OF THE SEVENTIES -- YEARS WHEN THE UNITED STATES SEEMED FILLED WITH SELF-DOUBT AND NEGLECTED ITS DEFENSES, WHILE THE SOVIET UNION INCREASED ITS MILITARY MIGHT AND SOUGHT TO EXPAND ITS INFLUENCE BY ARMED FORCE AND THREATS.

OVER THE LAST 10 YEARS, THE SOVIETS DEVOTED TWICE AS MUCH OF THEIR GROSS NATIONAL PRODUCT TO MILITARY EXPENDITURES AS THE UNITED STATES, PRODUCED SIX TIMES AS MANY I.C.B.M.'s, FOUR TIMES AS MANY TANKS, AND TWICE AS MANY COMBAT AIRCRAFT, AND THEY BEGAN DEPLOYING THE SS-20 INTERMEDIATE-RANGE MISSILE AT A TIME WHEN THE UNITED STATES HAD NO COMPARABLE WEAPON.

HISTORY TEACHES THAT WARS BEGIN WHEN GOVERNMENTS BELIEVE THE PRICE OF AGGRESSION IS CHEAP. TO KEEP THE PEACE, WE AND OUR ALLIES MUST BE STRONG ENOUGH TO CONVINCED ANY POTENTIAL AGGRESSOR THAT WAR COULD BRING NO BENEFIT, ONLY DISASTER. SO WHEN WE NEGLECTED OUR DEFENSES, THE RISKS OF SERIOUS CONFRONTATION GREW.

THREE YEARS AGO WE EMBRACED A MANDATE FROM THE AMERICAN PEOPLE TO CHANGE COURSE, AND WE HAVE. WITH THE SUPPORT OF THE AMERICAN PEOPLE AND THE CONGRESS, WE HALTED AMERICA'S DECLINE. OUR ECONOMY IS NOW IN THE MIDST OF THE BEST RECOVERY SINCE THE SIXTIES. OUR DEFENSES ARE BEING REBUILT. OUR ALLIANCES ARE SOLID AND OUR COMMITMENT TO DEFEND OUR VALUES HAS NEVER BEEN MORE CLEAR.

AMERICA'S RECOVERY MAY HAVE TAKEN SOVIET LEADERS BY SURPRISE. THEY MAY HAVE COUNTED ON US TO KEEP WEAKENING OURSELVES. THEY HAVE BEEN SAYING FOR YEARS THAT OUR DEMISE WAS INEVITABLE. THEY SAID IT SO OFTEN THEY PROBABLY STARTED BELIEVING IT. IF SO, I THINK THEY CAN SEE NOW THEY WERE WRONG.



THIS MAY BE THE REASON WE'VE BEEN HEARING SUCH STRIDENT RHETORIC FROM THE KREMLIN RECENTLY. THESE HARSH WORDS HAVE LED SOME TO SPEAK OF HEIGHTENED UNCERTAINTY AND AN INCREASED DANGER OF CONFLICT. THIS IS UNDERSTANDABLE, BUT PROFOUNDLY MISTAKEN. LOOK BEYOND THE WORDS, AND ONE FACT STANDS OUT: AMERICA'S DETERRENCE IS MORE CREDIBLE AND IT IS MAKING THE WORLD A SAFER PLACE; SAFER BECAUSE NOW THERE IS LESS DANGER THAT THE SOVIET LEADERSHIP WILL UNDERESTIMATE OUR STRENGTH OR QUESTION OUR RESOLVE.

YES, WE ARE SAFER NOW. BUT TO SAY THAT OUR RESTORED DETERRENCE HAS MADE THE WORLD SAFER IS NOT TO SAY THAT IT IS SAFE ENOUGH. WE ARE WITNESSING TRAGIC CONFLICTS IN MANY PARTS OF THE WORLD. NUCLEAR ARSENALS ARE FAR TOO HIGH. AND OUR WORKING RELATIONSHIP WITH THE SOVIET UNION IS NOT WHAT IT MUST BE. THESE ARE CONDITIONS WHICH MUST BE ADDRESSED AND IMPROVED.

DETERRENCE IS ESSENTIAL TO PRESERVE PEACE AND PROTECT OUR WAY OF LIFE, BUT DETERRENCE IS NOT THE BEGINNING AND END OF OUR POLICY TOWARD THE SOVIET UNION. WE MUST AND WILL ENGAGE THE SOVIETS IN A DIALOGUE AS SERIOUS AND CONSTRUCTIVE AS POSSIBLE, A DIALOGUE THAT WILL SERVE TO PROMOTE PEACE IN THE TROUBLED REGIONS OF THE WORLD, REDUCE THE LEVEL OF ARMS, AND BUILD A CONSTRUCTIVE WORKING RELATIONSHIP.

NEITHER WE NOR THE SOVIET UNION CAN WISH AWAY THE DIFFERENCES BETWEEN OUR TWO SOCIETIES AND OUR PHILOSOPHIES. BUT WE SHOULD ALWAYS REMEMBER THAT WE DO HAVE COMMON INTERESTS. AND THE FOREMOST AMONG THEM IS TO AVOID WAR AND REDUCE THE LEVEL OF ARMS.

THERE IS NO RATIONAL ALTERNATIVE BUT TO STEER A COURSE WHICH I  
WOULD CALL CREDIBLE DETERRENCE AND PEACEFUL COMPETITION; AND IF  
WE DO SO, WE MIGHT FIND AREAS IN WHICH WE COULD ENGAGE IN  
CONSTRUCTIVE COOPERATION.

OUR STRENGTH AND VISION OF PROGRESS PROVIDE THE BASIS FOR  
DEMONSTRATING, WITH EQUAL CONVICTION, OUR COMMITMENT TO STAY  
SECURE AND TO FIND PEACEFUL SOLUTIONS TO PROBLEMS THROUGH  
NEGOTIATIONS. THAT IS WHY 1984 IS A YEAR OF OPPORTUNITIES FOR  
PEACE.

BUT IF THE UNITED STATES AND THE SOVIET UNION ARE TO RISE TO  
THE CHALLENGES FACING US AND SEIZE THE OPPORTUNITIES FOR PEACE,  
WE MUST DO MORE TO FIND AREAS OF MUTUAL INTEREST AND THEN BUILD  
ON THEM. I PROPOSE THAT OUR GOVERNMENTS MAKE A MAJOR EFFORT TO  
SEE IF WE CAN MAKE PROGRESS IN THREE BROAD PROBLEM AREAS.

FIRST, WE NEED TO FIND WAYS TO REDUCE -- AND EVENTUALLY TO  
ELIMINATE -- THE THREAT AND USE OF FORCE IN SOLVING INTERNATIONAL  
DISPUTES.

THE WORLD HAS WITNESSED MORE THAN 100 MAJOR CONFLICTS SINCE  
THE END OF WORLD WAR II ALONE. TODAY, THERE ARE ARMED CONFLICTS  
IN THE MIDDLE EAST, AFGHANISTAN, SOUTHEAST ASIA, CENTRAL AMERICA,  
AND AFRICA. IN OTHER REGIONS, INDEPENDENT NATIONS ARE CONFRONTED  
BY HEAVILY ARMED NEIGHBORS SEEKING TO DOMINATE BY THREATENING  
ATTACK OR SUBVERSION.

MOST OF THESE CONFLICTS HAVE THEIR ORIGINS IN LOCAL  
PROBLEMS, BUT MANY HAVE BEEN EXPLOITED BY THE SOVIET UNION AND  
ITS SURROGATES -- AND, OF COURSE, AFGHANISTAN HAS SUFFERED AN  
OUTRIGHT SOVIET INVASION.

FUELING REGIONAL CONFLICTS AND EXPORTING VIOLENCE ONLY EXACERBATE LOCAL TENSIONS, INCREASE SUFFERING, AND MAKE SOLUTIONS TO REAL SOCIAL AND ECONOMIC PROBLEMS MORE DIFFICULT. FURTHER, SUCH ACTIVITY CARRIES WITH IT THE RISK OF LARGER CONFRONTATIONS.

WOULD IT NOT BE BETTER AND SAFER IF WE COULD WORK TOGETHER TO ASSIST PEOPLE IN AREAS OF CONFLICT IN FINDING PEACEFUL SOLUTIONS TO THEIR PROBLEMS? THAT SHOULD BE OUR MUTUAL GOAL. BUT WE MUST RECOGNIZE THAT THE GAP IN AMERICAN AND SOVIET PERCEPTIONS AND POLICY IS SO GREAT THAT OUR IMMEDIATE OBJECTIVE MUST BE MORE MODEST. AS A FIRST STEP, OUR GOVERNMENTS SHOULD JOINTLY EXAMINE CONCRETE ACTIONS WE BOTH CAN TAKE TO REDUCE THE RISK OF U.S.-SOVIET CONFRONTATION IN THESE AREAS. AND IF WE SUCCEED, WE SHOULD BE ABLE TO MOVE BEYOND THIS IMMEDIATE OBJECTIVE.

OUR SECOND TASK SHOULD BE TO FIND WAYS TO REDUCE THE VAST STOCKPILES OF ARMAMENTS IN THE WORLD.

IT IS TRAGIC TO SEE THE WORLD'S DEVELOPING NATIONS SPENDING MORE THAN \$150 BILLION A YEAR ON ARMED FORCES -- SOME 20 PERCENT OF THEIR NATIONAL BUDGETS. WE MUST FIND WAYS TO REVERSE THE VICIOUS CYCLE OF THREAT AND RESPONSE WHICH DRIVES ARMS RACES EVERYWHERE IT OCCURS.

WITH REGARD TO NUCLEAR WEAPONS, THE SIMPLE TRUTH IS, AMERICA'S TOTAL NUCLEAR STOCKPILE HAS DECLINED. TODAY, WE HAVE FAR FEWER NUCLEAR WEAPONS THAN WE HAD 20 YEARS AGO. AND IN TERMS OF ITS TOTAL DESTRUCTIVE POWER, OUR NUCLEAR STOCKPILE IS AT THE LOWEST LEVEL IN 25 YEARS.

JUST 3 MONTHS AGO, WE AND OUR ALLIES AGREED TO WITHDRAW 400 NUCLEAR WEAPONS FROM WESTERN EUROPE. THIS COMES AFTER THE REMOVAL OF A THOUSAND NUCLEAR WEAPONS FROM EUROPE 3 YEARS AGO, EVEN IF ALL OUR PLANNED INTERMEDIATE-RANGE MISSILES HAVE TO BE DEPLOYED IN EUROPE OVER THE NEXT 5 YEARS -- AND WE HOPE THIS WILL NOT BE NECESSARY -- WE WILL HAVE ELIMINATED FIVE EXISTING NUCLEAR WEAPONS FOR EACH NEW WEAPON DEPLOYED.

BUT THIS IS NOT ENOUGH. WE MUST ACCELERATE OUR EFFORTS TO REACH AGREEMENTS THAT WILL GREATLY REDUCE NUCLEAR ARSENALS, PROVIDE GREATER STABILITY, AND BUILD CONFIDENCE.

OUR THIRD TASK IS TO ESTABLISH A BETTER WORKING RELATIONSHIP WITH EACH OTHER, ONE MARKED BY GREATER COOPERATION AND UNDERSTANDING.

COOPERATION AND UNDERSTANDING ARE BUILT ON DEEDS, NOT WORDS. COMPLYING WITH AGREEMENTS HELPS; VIOLATING THEM HURTS. RESPECTING THE RIGHTS OF INDIVIDUAL CITIZENS BOLSTERS THE RELATIONSHIP; DENYING THESE RIGHTS HARMS IT. EXPANDING CONTACTS ACROSS BORDERS AND PERMITTING A FREE INTERCHANGE OF INFORMATION AND IDEAS INCREASE CONFIDENCE; SEALING OFF ONE'S PEOPLE FROM THE REST OF THE WORLD REDUCES IT. PEACEFUL TRADE HELPS, WHILE ORGANIZED THEFT OF INDUSTRIAL SECRETS CERTAINLY HURTS.

COOPERATION AND UNDERSTANDING ARE ESPECIALLY IMPORTANT TO ARMS CONTROL. IN RECENT YEARS, WE HAVE HAD SERIOUS CONCERNS ABOUT SOVIET COMPLIANCE WITH AGREEMENTS AND TREATIES. COMPLIANCE IS IMPORTANT BECAUSE WE SEEK TRULY EFFECTIVE ARMS CONTROL. HOWEVER, THERE HAS BEEN MOUNTING EVIDENCE THAT PROVISIONS OF AGREEMENTS HAVE BEEN VIOLATED AND THAT ADVANTAGE HAS BEEN TAKEN OF AMBIGUITIES IN OUR AGREEMENTS.

IN RESPONSE TO A CONGRESSIONAL REQUEST, A REPORT ON THIS WILL BE SUBMITTED IN THE NEXT FEW DAYS. IT IS CLEAR THAT WE CANNOT SIMPLY ASSUME THAT AGREEMENTS NEGOTIATED WILL BE FULFILLED. WE MUST TAKE THE SOVIET COMPLIANCE RECORD INTO ACCOUNT, BOTH IN THE DEVELOPMENT OF OUR DEFENSE PROGRAM AND IN OUR APPROACH TO ARMS CONTROL. IN OUR DISCUSSIONS WITH THE SOVIET UNION, WE WILL WORK TO REMOVE THE OBSTACLES WHICH THREATEN TO UNDERMINE EXISTING AGREEMENTS AND THE BROADER ARMS CONTROL PROCESS.

THE EXAMPLES I HAVE CITED ILLUSTRATE WHY OUR RELATIONSHIP WITH THE SOVIET UNION IS NOT WHAT IT SHOULD BE. WE HAVE A LONG WAY TO GO, BUT WE ARE DETERMINED TO TRY AND TRY AGAIN. WE MAY HAVE TO START IN SMALL WAYS, BUT START WE MUST.

IN WORKING ON THESE TASKS, OUR APPROACH IS BASED ON THREE GUIDING PRINCIPLES: REALISM, STRENGTH, AND DIALOGUE.

REALISM MEANS WE MUST START WITH A CLEAR-EYED UNDERSTANDING OF THE WORLD WE LIVE IN. WE MUST RECOGNIZE THAT WE ARE IN A LONG-TERM COMPETITION WITH A GOVERNMENT THAT DOES NOT SHARE OUR NOTIONS OF INDIVIDUAL LIBERTIES AT HOME AND PEACEFUL CHANGE ABROAD. WE MUST BE FRANK IN ACKNOWLEDGING OUR DIFFERENCES AND UNAFRAID TO PROMOTE OUR VALUES.

STRENGTH IS ESSENTIAL TO NEGOTIATE SUCCESSFULLY AND PROTECT OUR INTERESTS. IF WE ARE WEAK, WE CAN DO NEITHER. STRENGTH IS MORE THAN MILITARY POWER. ECONOMIC STRENGTH IS CRUCIAL AND AMERICA'S ECONOMY IS LEADING THE WORLD INTO RECOVERY. EQUALLY IMPORTANT IS OUR STRENGTH OF SPIRIT, AND UNITY AMONG OUR PEOPLE AT HOME AND WITH OUR ALLIES ABROAD. WE ARE STRONGER IN ALL THESE AREAS THAN WE WERE 3 YEARS AGO.

OUR STRENGTH IS NECESSARY TO DETER WAR AND TO FACILITATE NEGOTIATED SOLUTIONS. SOVIET LEADERS KNOW IT MAKES SENSE TO COMPROMISE ONLY IF THEY CAN GET SOMETHING IN RETURN. AMERICA CAN NOW OFFER SOMETHING IN RETURN.

STRENGTH AND DIALOGUE GO HAND-IN-HAND. WE ARE DETERMINED TO DEAL WITH OUR DIFFERENCES PEACEFULLY, THROUGH NEGOTIATIONS. WE ARE PREPARED TO DISCUSS THE PROBLEMS THAT DIVIDE US, AND TO WORK FOR PRACTICAL, FAIR SOLUTIONS ON THE BASIS OF MUTUAL COMPROMISE. WE WILL NEVER RETREAT FROM NEGOTIATIONS.

I HAVE OPENLY EXPRESSED MY VIEW OF THE SOVIET SYSTEM. I DON'T KNOW WHY THIS SHOULD COME AS A SURPRISE TO SOVIET LEADERS, WHO HAVE NEVER SHIED FROM EXPRESSING THEIR VIEW OF OUR SYSTEM. BUT THIS DOES NOT MEAN WE CAN'T DEAL WITH EACH OTHER. WE DON'T REFUSE TO TALK WHEN THE SOVIETS CALL US "IMPERIALIST AGGRESSORS" AND WORSE, OR BECAUSE THEY CLING TO THE FANTASY OF A COMMUNIST TRIUMPH OVER DEMOCRACY. THE FACT THAT NEITHER OF US LIKES THE OTHER'S SYSTEM IS NO REASON TO REFUSE TO TALK. LIVING IN THIS NUCLEAR AGE MAKES IT IMPERATIVE THAT WE DO TALK.

OUR COMMITMENT TO DIALOGUE IS FIRM AND UNSHAKABLE. BUT WE INSIST THAT OUR NEGOTIATIONS DEAL WITH REAL PROBLEMS, NOT ATMOSPHERICS.

IN OUR APPROACH TO NEGOTIATIONS, REDUCING THE RISK OF WAR -- AND ESPECIALLY NUCLEAR WAR -- IS PRIORITY NUMBER ONE. A NUCLEAR CONFLICT COULD WELL BE MANKIND'S LAST. THAT IS WHY I PROPOSED, OVER 2 YEARS AGO, THE "ZERO OPTION" FOR INTERMEDIATE-RANGE MISSILES. OUR AIM WAS AND CONTINUES TO BE TO ELIMINATE AN ENTIRE CLASS OF NUCLEAR ARMS.

INDEED, I SUPPORT A ZERO OPTION FOR ALL NUCLEAR ARMS. AS I HAVE SAID BEFORE, MY DREAM IS TO SEE THE DAY WHEN NUCLEAR WEAPONS WILL BE BANISHED FROM THE FACE OF THE EARTH.

LAST MONTH, THE SOVIET DEFENSE MINISTER STATED THAT HIS COUNTRY WOULD DO EVERYTHING TO AVERT THE THREAT OF WAR. THESE ARE ENCOURAGING WORDS. BUT NOW IS THE TIME TO MOVE FROM WORDS TO DEEDS.

THE OPPORTUNITY FOR PROGRESS IN ARMS CONTROL EXISTS; THE SOVIET LEADERS SHOULD TAKE ADVANTAGE OF IT. WE HAVE PROPOSED A SET OF INITIATIVES THAT WOULD REDUCE SUBSTANTIALLY NUCLEAR ARSENALS AND REDUCE THE RISK OF NUCLEAR CONFRONTATION.

THE WORLD REGRETS -- CERTAINLY WE DO -- THAT THE SOVIET UNION BROKE OFF NEGOTIATIONS ON INTERMEDIATE-RANGE NUCLEAR FORCES, AND HAS NOT SET A DATE FOR THE RESUMPTION OF THE TALKS ON STRATEGIC ARMS AND ON CONVENTIONAL FORCES IN EUROPE. OUR NEGOTIATORS ARE READY TO RETURN TO THE NEGOTIATING TABLE TO WORK TOWARD AGREEMENTS IN I.N.F., START, AND M.B.F.R. WE WILL NEGOTIATE IN GOOD FAITH. WHENEVER THE SOVIET UNION IS READY TO DO LIKEWISE, WE WILL MEET THEM HALFWAY.

WE SEEK TO REDUCE NUCLEAR ARSENALS, AND TO REDUCE THE CHANCES FOR DANGEROUS MISUNDERSTANDING AND MISCALCULATION. SO WE HAVE PUT FORWARD PROPOSALS FOR WHAT WE CALL "CONFIDENCE-BUILDING MEASURES." THEY COVER A WIDE RANGE OF ACTIVITIES. IN THE GENEVA NEGOTIATIONS, WE HAVE PROPOSED TO EXCHANGE ADVANCE NOTIFICATIONS OF MISSILE TESTS AND MAJOR MILITARY EXERCISES. FOLLOWING UP ON CONGRESSIONAL SUGGESTIONS, WE ALSO PROPOSED A NUMBER OF WAYS TO IMPROVE DIRECT CHANNELS OF COMMUNICATION. LAST WEEK, WE HAD PRODUCTIVE DISCUSSIONS WITH THE SOVIETS HERE IN WASHINGTON ON IMPROVING COMMUNICATIONS, INCLUDING THE "HOTLINE."

THESE BILATERAL PROPOSALS WILL BE BROADENED AT THE CONFERENCE IN STOCKHOLM. WE ARE WORKING WITH OUR ALLIES TO DEVELOP PRACTICAL, MEANINGFUL WAYS TO REDUCE THE UNCERTAINTY AND POTENTIAL FOR MISINTERPRETATION SURROUNDING MILITARY ACTIVITIES, AND TO DIMINISH THE RISK OF SURPRISE ATTACK.

ARMS CONTROL HAS LONG BEEN THE MOST VISIBLE AREA OF U.S.-SOVIET DIALOGUE. BUT A DURABLE PEACE ALSO REQUIRES BOTH OF US TO DEFUSE TENSIONS AND REGIONAL CONFLICTS.

TAKE THE MIDDLE EAST AS AN EXAMPLE. EVERYONE'S INTERESTS WOULD BE SERVED BY STABILITY IN THE REGION, AND OUR EFFORTS ARE DIRECTED TOWARD THAT GOAL. THE SOVIETS COULD HELP REDUCE TENSIONS THERE INSTEAD OF INTRODUCING SOPHISTICATED WEAPONS INTO THE AREA. THIS WOULD CERTAINLY HELP US TO DEAL MORE POSITIVELY WITH OTHER ASPECTS OF OUR RELATIONSHIP.

ANOTHER MAJOR PROBLEM IN OUR RELATIONSHIP WITH THE SOVIET UNION IS HUMAN RIGHTS. SOVIET PRACTICES IN THIS AREA, AS MUCH AS ANY OTHER ISSUE, HAVE CREATED THE MISTRUST AND ILL WILL THAT HANGS OVER OUR RELATIONSHIP.

MORAL CONSIDERATIONS ALONE COMPEL US TO EXPRESS OUR DEEP CONCERN OVER PRISONERS OF CONSCIENCE IN THE SOVIET UNION AND OVER THE VIRTUAL HALT IN THE EMIGRATION OF JEWS, ARMENIANS, AND OTHERS WHO WISH TO JOIN THEIR FAMILIES ABROAD.

OUR REQUEST IS SIMPLE AND STRAIGHTFORWARD: THAT THE SOVIET UNION LIVE UP TO THE OBLIGATIONS IT HAS FREELY ASSUMED UNDER INTERNATIONAL COVENANTS -- IN PARTICULAR, ITS COMMITMENTS UNDER THE HELSINKI ACCORDS. EXPERIENCE HAS SHOWN THAT GREATER RESPECT FOR HUMAN RIGHTS CAN CONTRIBUTE TO PROGRESS IN OTHER AREAS OF THE SOVIET-AMERICAN RELATIONSHIP.



CONFLICTS OF INTEREST BETWEEN THE UNITED STATES AND THE SOVIET UNION ARE REAL. BUT WE CAN AND MUST KEEP THE PEACE BETWEEN OUR TWO NATIONS AND MAKE IT A BETTER AND MORE PEACEFUL WORLD FOR ALL MANKIND.

OUR POLICY TOWARD THE SOVIET UNION, A POLICY OF CREDIBLE DETERRENCE, PEACEFUL COMPETITION, AND CONSTRUCTIVE COOPERATION, WILL SERVE OUR TWO NATIONS AND PEOPLE EVERYWHERE. IT IS A POLICY NOT JUST FOR THIS YEAR, BUT FOR THE LONG TERM. IT IS A CHALLENGE FOR AMERICANS. IT IS ALSO A CHALLENGE FOR THE SOVIETS. IF THEY CANNOT MEET US HALFWAY, WE WILL BE PREPARED TO PROTECT OUR INTERESTS, AND THOSE OF OUR FRIENDS AND ALLIES. BUT WE WANT MORE THAN DETERRENCE; WE SEEK GENUINE COOPERATION; WE SEEK PROGRESS FOR PEACE.

COOPERATION BEGINS WITH COMMUNICATION. WE SEEK SUCH COMMUNICATION. AS I HAVE SAID, WE WILL STAY AT THE NEGOTIATING TABLES IN GENEVA AND VIENNA. FURTHERMORE, SECRETARY SHULTZ WILL BE MEETING THIS WEEK WITH SOVIET FOREIGN MINISTER GROMYKO IN STOCKHOLM. THIS MEETING SHOULD BE FOLLOWED BY OTHERS, SO THAT HIGH-LEVEL CONSULTATIONS BECOME A REGULAR AND NORMAL COMPONENT OF U.S.-SOVIET RELATIONS.

OUR CHALLENGE IS PEACEFUL. IT WILL BRING OUT THE BEST IN US. IT ALSO CALLS FOR THE BEST FROM THE SOVIET UNION.

WE DO NOT THREATEN THE SOVIET UNION. FREEDOM POSES NO THREAT, IT IS THE LANGUAGE OF PROGRESS. WE PROVED THIS 35 YEARS AGO WHEN WE HAD A MONOPOLY OF NUCLEAR WEAPONS, AND COULD HAVE TRIED TO DOMINATE THE WORLD, BUT WE DIDN'T. INSTEAD WE USED OUR POWER TO WRITE A NEW CHAPTER IN THE HISTORY OF MANKIND.

WE HELPED REBUILD WAR-RAVAGED ECONOMIES IN EUROPE AND THE FAR EAST, INCLUDING THOSE OF NATIONS WHO HAD BEEN OUR ENEMIES. INDEED, THOSE FORMER ENEMIES ARE NOW NUMBERED AMONG OUR STAUNCHEST FRIENDS.

WE CAN'T PREDICT HOW THE SOVIET LEADERS WILL RESPOND TO OUR CHALLENGE. BUT THE PEOPLE OF OUR TWO COUNTRIES SHARE WITH ALL MANKIND THE DREAM OF ELIMINATING THE RISK OF NUCLEAR WAR. IT IS NOT AN IMPOSSIBLE DREAM, BECAUSE ELIMINATING THESE RISKS IS SO CLEARLY A VITAL INTEREST FOR ALL OF US. OUR TWO COUNTRIES HAVE NEVER FOUGHT EACH OTHER; THERE IS NO REASON WE EVER SHOULD. INDEED, WE FOUGHT COMMON ENEMIES IN WORLD WAR II. TODAY OUR COMMON ENEMIES ARE POVERTY, DISEASE AND, ABOVE ALL, WAR.

MORE THAN 20 YEARS AGO, PRESIDENT KENNEDY DEFINED AN APPROACH THAT IS AS VALID TODAY AS WHEN HE ANNOUNCED IT: "SO, LET US NOT BE BLIND TO OUR DIFFERENCES," HE SAID, "BUT LET US ALSO DIRECT ATTENTION TO OUR COMMON INTERESTS AND TO THE MEANS BY WHICH THOSE DIFFERENCES CAN BE RESOLVED."

WELL, THOSE DIFFERENCES ARE DIFFERENCES IN GOVERNMENTAL STRUCTURE AND PHILOSOPHY. THE COMMON INTERESTS HAVE TO DO WITH THE THINGS OF EVERYDAY LIFE FOR PEOPLE EVERYWHERE.

SUPPOSE, FOR A MOMENT, IVAN AND ANYA FOUND THEMSELVES IN A WAITING ROOM, OR SHARING A SHELTER FROM THE RAIN WITH JIM AND SALLY, AND THERE WAS NO LANGUAGE BARRIER TO KEEP THEM FROM GETTING ACQUAINTED. WOULD THEY DEBATE THE DIFFERENCES BETWEEN THEIR RESPECTIVE GOVERNMENTS? OR, WOULD THEY FIND THEMSELVES COMPARING NOTES ABOUT THEIR CHILDREN, AND WHAT EACH OTHER DID FOR A LIVING?

BEFORE THEY PARTED COMPANY THEY WOULD PROBABLY HAVE TOUCHED ON AMBITIONS, HOBBIES, WHAT THEY WANTED FOR THEIR CHILDREN AND THE PROBLEMS OF MAKING ENDS MEET. AND AS THEY WENT THEIR SEPARATE WAYS, ANYA WOULD BE SAYING TO IVAN, "WASN'T SHE NICE, SHE ALSO TEACHES MUSIC." JIM WOULD BE TELLING SALLY WHAT IVAN DID OR DIDN'T LIKE ABOUT HIS BOSS. THEY MIGHT EVEN HAVE DECIDED THAT THEY WERE ALL GOING TO GET TOGETHER FOR DINNER SOME EVENING SOON.

ABOVE ALL, THEY WOULD HAVE PROVEN THAT PEOPLE DON'T MAKE WARS. PEOPLE WANT TO RAISE THEIR CHILDREN IN A WORLD WITHOUT FEAR, AND WITHOUT WAR. THEY WANT TO HAVE SOME OF THE GOOD THINGS OVER AND ABOVE BARE SUBSISTENCE THAT MAKE LIFE WORTH LIVING. THEY WANT TO WORK AT SOME CRAFT, TRADE, OR PROFESSION THAT GIVES THEM SATISFACTION AND A SENSE OF WORTH. THEIR COMMON INTERESTS CROSS ALL BORDERS.

IF THE SOVIET GOVERNMENT WANTS PEACE, THEN THERE WILL BE PEACE. TOGETHER WE CAN STRENGTHEN PEACE, REDUCE THE LEVEL OF ARMS, AND KNOW IN DOING SO WE HAVE HELPED FULFILL THE HOPES AND DREAMS OF THOSE WE REPRESENT AND INDEED OF PEOPLE EVERYWHERE. LET US BEGIN NOW.

# # #

SUBJECT

PRIME MINISTER'S

PERSONAL MESSAGE

SERIAL No. T10/84.....

US Declassified

THE WHITE HOUSE

WASHINGTON

CC Master

OPS

January 14, 1984

Dear Margaret:

When you and I met at the end of September, we had a useful talk on how to deal with the Soviet Union over the longer term. I greatly value the advice and counsel you shared with me. At that time, the Korean Air Lines tragedy was very much on our minds. With Moscow's unfortunate decision to suspend the major arms control negotiations, East-West relations have entered an even more difficult period.

Against this background, I have decided that it is important to present to the American people and to governments and publics throughout the world a comprehensive statement of my approach to the key element in East-West relations -- the U.S.-Soviet relationship. I will do this in a major address from the East Room at the White House on Monday, January 16.

My address will reaffirm our willingness to pursue a constructive and realistic dialogue with the Soviet Union aimed at building a more positive and stable long-term relationship. I will call upon the Soviets to make a comparable and substantive response. While I will not be announcing any specific new initiatives, I will be setting forth a framework for future U.S.-Soviet relations.

Given our close relationship and the special significance that I attach to this statement of U.S. policy, I want to share the text with you beforehand. I hope you will agree that it meets our common objectives of setting a positive tone both for the opening of the CDE meeting in Stockholm and for George Shultz's bilateral

meeting with Soviet Foreign Minister Gromyko. I am particularly pleased that George will have an opportunity to give you a personal preview before his meetings in Stockholm.

With warm regards,

Ron

The Right Honorable  
Margaret Thatcher, M.P.  
Prime Minister  
London



10 DOWNING STREET

THE PRIME MINISTER

19 January 1984

US Declassified

Dear Ron,

Thank you for your letter of 14 January and the advance copy of your speech on US/Soviet relations which George Shultz gave me on 15 January.

If I may say so, I thought you struck exactly the right note and at the right time. As we enter 1984, and against the background of public disquiet at the Soviet interruption of the arms control talks in Geneva and Vienna, it was good to put on record your willingness to establish a constructive and realistic working relationship with the Soviet Union.

As you say, this is a long-term policy. We cannot expect rapid changes. The Soviet system is too rigid for that, as their initial public response to your speech has demonstrated. But I am sure that it is right to try: and that the best way is to engage the Soviet Union in a dialogue on a broad range of questions - bilateral and regional, political and economic. Against this background it may be easier to make progress on arms control issues.

My views on the arms control problem are very much in line with yours. I warmly welcome your aim to reduce nuclear arsenals and to create greater stability and confidence. It would obviously be wrong to make concessions just to get the

/Russians

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Russians back to the negotiating table. But they have problems of their own, both of substance and of presentation. Thanks to your own imaginative proposals, and to the unity we have been able to maintain within the Alliance, the initiative rests with the West. We now have an opportunity to consider whether we can find fresh ways forward on nuclear arms reductions. I am glad that the various consultative groupings within the Alliance are beginning to discuss this possibility. We must not only convince our own peoples of our dedication to the pursuit of real reductions but also seek that greater stability of which you spoke.

I hope that your speech will mark the beginning of a new phase of relations with the Soviet Union. That depends on them more than us. But in the Alliance we can all seek to build on the lead you have taken.

I look forward to hearing the outcome of George Shultz's meeting with Gromyko on 18 January. Geoffrey Howe will be meeting Gromyko on 19 January. I shall let you have my impressions of my visit to Hungary from 2 to 4 February.

*Yours ever*  
*Ronald*

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The President of the United States of America.

VISIT OF THE PRIME MINISTER TO FRANCE: 23 JANUARY

BRIEF NO 2: ARMS CONTROL AND DISARMAMENT

POINTS TO MAKE

INF/START/MBFR

1. START, INF and MBFR in limbo. But still need for continued Western consultation on arms control. Important not to lose impetus created by successful co-ordination in 1983. Public interest in contribution of arms control to management of East/West relations will remain high.
2. Nuclear arms control remain priority. But other areas may deserve fresh approach, eg arms control for anti-satellite systems (ASATs).
3. Soviet compliance with existing arms control and President Reagan's 'Star Wars' initiative require careful handling. Potential for intra-Alliance friction. UK and France share special interest in effect of this initiative on national deterrents.

CDE

4. Welcome full turnout of Foreign Ministers at Stockholm. Could help East/West relations. Must guard against raising public expectations of CDE too high. Hope for substantive negotiations soon.

WARSAW PACT PROPOSAL ON CHEMICAL WEAPONS IN EUROPE

5. Proposal is badly flawed (inadequate verification and geographical imprecision). Regional ban no substitute for comprehensive, worldwide ban the West is seeking at Committee on Disarmament (CD).
6. Need for low-key Western response; suggest to Russians they pursue proposal at the CD. Negotiation at CDE would deny us the Neutral and Non-Aligned support we enjoy at the CD.





NON-PROLIFERATION TREATY (NPT)

7. Non-Proliferation a vital part of both countries' defence policy.

8. Fundamentally both apply similar non-proliferation policies. If France were to accede to NPT we would be seen to be acting together. French accession would also give NPT regime an important boost before the 1985 Review Conference.

VISIT OF THE PRIME MINISTER TO FRANCE: 23 JANUARY

BRIEF NO 3: ARAB/ISRAEL

Points to Make

1. Stagnation in Arab/Israel peace process undermines moderate Arabs who deserve our support. Sir G Howe's Egyptian and Saudi hosts saw results of Reagan's meeting with Shamir last November as an alarming US shift towards Israel. King Hussein said the same to me on December 16. We should press Americans to reassure Arabs; perhaps by a revival of Reagan plan and particularly its call for a freeze on Israeli settlements in the Occupied Territories.
2. Arafat/Mubarak talks, recall of Jordanian Parliament, prospect of resumed Arafat/Hussein talks: indicate possible new life in the peace process. Saudis and Egyptians told Sir G Howe they were keen that West seize opportunity to steer PLO into new constructive phase. Encourage them to work with Hussein, make commitment to negotiation and recognise Israel's right to exist in explicit terms.
3. (If raised) Franco/Egyptian Initiative. French ideas on a new presentation of this initiative during France's EC Presidency and Egypt's term on security council? Need to take care to avoid US veto which would only embitter atmosphere.

Essential Facts

4. French attitudes. The French play an active (but often mysterious) part in Arab/Israel matters, and not only in a Community context. The French and the Egyptians have been considering a revival of their joint initiative of July 1982 (a Security Council resolution to reaffirm 242 and add a reference to Palestinian self-determination) as a means of strengthening Arafat's position. Both realise however that if it came to a vote in its present form,

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the US would probably veto it. The question was not taken very far during the visit of Egyptian Deputy Foreign Minister, Dr Boutros-Ghali to Paris on 6 January. Boutros-Ghali gave Mitterrand a letter from Mubarak asking the French as EC Presidency to do everything possible to help the peace process along. Last December the French played a mediating role in the exchange of 4,300 Palestinian prisoners held by Israel in Lebanon for 6 Israelis held by the PLO. They also provided protection for the ships evacuating Arafat and his supporters from Northern Lebanon at the end of last year.

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VISIT OF THE PRIME MINISTER TO FRANCE: 23 JANUARY

BRIEF NO 4 : LEBANON

LEBANON

Points to Make

1. Sorry to hear of recent attacks on French Embassy staff and MNF contingent in Beirut.
2. Glad we share objectives of early replacement of MNF by UN force. Important to stay closely in touch.
3. Prospects for security/national reconciliation look bleak, without some incentives to Syrians to cooperate. Have pressed Americans to be flexible on 17 May agreement.

Essential Facts

Recent Developments

Military Situation

4. After quiet period tempo of exchanges increased from weekend of 14/15 January. US warships returned Druze shell-fire into the Shouf on 15 January. 13-hour artillery duel between Druze and Christian militias on 16 January. In Southern Lebanon attacks on Israeli troops continue, with occasional Israeli retaliation: most recently with "'surgical'" airstrike on extremist Shia/Iranian bases near Baalbek on 6 January. Implementation of Security plan still held up by Druze haggling.

MNF

5. Reductions in Italian (2200 to 1500) and French (1750 to 1250, balance returning to UNIFIL) contingents taking place this month. Attacks on French and US contingents continue: one US Marine killed and two wounded on 8 January in hit and run rocket-propelled grenade (RPG) attack on US helicopter deep inside LAF controlled West Beirut. One French paratrooper killed, one wounded in similar attack on French position on 9 January. No casualties in further attacks (including one on French Embassy), on 10 and 11 January.



Recent attacks on French Embassy staff have left a driver very seriously wounded and the wife of the Cultural Attaché slightly hurt.

UN Forces

6. French are actively pursuing expansion of UNIFIL's mandate, to replace MNF in Beirut. Positive Soviet reaction (Gromyko/Cheysson meeting in Stockholm). French to discuss further with Syrians.

VISIT OF THE PRIME MINISTER TO FRANCE: 23 JANUARY

BRIEF NO. 5: IRAN/IRAQ

POINTS TO MAKE

1. UK keen to see an early end to the conflict. Immediate aim to prevent escalation of attacks on economic targets. Support any diplomatic efforts (especially Secretary-General mediations) which may help end the war.
2. Do French have indications of Iraqi intentions on military front? Can they persuade them to accept a second Mission of Enquiry into civilian casualties, in return for Iranians receiving the Secretary-General's representative?
3. Iranian reaction to any attack on their oil exporting capability unpredictable. Iranians more cautious recently, presumably as they fear provoking Western intervention.

Contingency Planning

4. Understand you do not consider detailed contingency planning necessary at the moment. But still useful to discuss reactions to a crisis, and harmonise our response to any escalation.
5. If the conflict spreads, first recourse must be to diplomatic action. But some form of eventual Western military action cannot be ruled out.

Arms Sales to Iran (Defensive)

6. We remain strictly neutral and have not supplied lethal items to either side. (If asked) The Kharg is a naval auxiliary: it has no relevance to the present conflict, and the Iranians have assured us that it will not be used to support operations against Iraq.

ESSENTIAL FACTS

French Views

7. France is a firm supporter of Iraq, with more than \$4 billion of export credit at risk and a major arms market. The French supported SCR 540, partly perhaps so that Iranian rejection would provide a justification for the supply of Super Etendard. France

/resisted



resisted attempts, including by the UK, to achieve a more balanced resolution.

8. France's relations with Iran have deteriorated with her increasingly firm support for Iraq. France has expelled Iranian diplomats and closed the Iranian Cultural Centre. The French believe that recent terrorist attacks, including the Cultural Centre in Tripoli and in France on 31 December in which four died, have Iranian involvement.

#### Contingency Planning

9. Consultations with the Americans have been close and frequent. The French remain very reluctant to engage in tripartite contingency planning or bilateral discussions; they do not consider the danger of escalation in the war to be as great as we do, and say their unwillingness to enter into contingency planning is based on a preference to prevent escalation rather than risk conveying the impression that we are expecting it.

#### Arms Sales to Iran

10. There have been a number of French-inspired stories that the UK is supplying arms to Iran. This is untrue, though we may soon reach agreement with Iran on a package under which some blocked tank spares (but no ammunition or gun-related items) and two unarmed naval support ships may be released. A third support ship, the Kharg, which was completed in 1980, but detained here because of the US hostage issue, is now being taken over by the Iranians, though it is unlikely to leave for several months.

VISIT OF THE PRIME MINISTER TO FRANCE: 23 JANUARY

## BRIEF NO 6: BILATERAL AND OTHER ISSUES

## GENERAL

1. The Elysée have been told of the Prime Minister's preference for 29-30 November as the dates for the next Anglo-French Summit, and that she would be prepared to spend the evening of 30 November and part of 1 December at the Franco-British Council Conference in Toulouse or Marseilles if, as intended, the Summit and Conference coincide. The Prime Minister will also be seeing the President, other than at European Councils, in April (possibly) when he hopes to attend the Royal opening of the Joint European Torus (JET) at Culham; in June at the London Economic Summit; and on 23-26 October during his State Visit.

## LONDON ECONOMIC SUMMIT

2. President Mitterrand will be sensitive about the outcome of the Summit, which will take place just before the European Elections. He may be anxious for some reassurance that it will not cast him in a bad light. The Prime Minister may wish to say that she is looking forward to a workmanlike, informal Summit in a relaxed atmosphere. We expect the main issues will be the prospects for a sustained recovery; standstill and rollback of protectionism; reviewing the Williamsburg commitment on improving the functioning of the international monetary system and the problems of the developing countries. (President Mitterrand has advocated an international monetary conference. He likes to play a part in developing country issues.) The Summit will aim for a wide-ranging discussion with no set agenda. It will not be an occasion for winners and losers. It is conceivable that President Mitterrand will revert to his ideas for inviting the Australians or the Indians. The Prime Minister will wish to discourage him.

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## NO PASSPORT EXCURSIONS

3. Faced with the political requirement to be seen to be dealing with the problem of illegal immigration, the French have all but decided to end the present arrangements whereby 1.25 million excursion cards are issued each year to day and short-stay visitors to France. The cards are issued by the transport companies on the basis of a personal declaration. The French wish to change the arrangement so that cards are issued by a British Government authority which guarantees both the identity and nationality of the traveller (in effect a passport). Official level talks have not changed French thinking but M. Cheysson has reluctantly agreed to a visit by Mr Whitney. The Prime Minister could reinforce this approach by drawing the President's attention to the problem, stressing the social and economic consequences of termination. She could regret the consequences of effectively barring France to an estimated 1 million visitors who would not go there if they had to get a passport; query the French view that the current system is a significant source of illegal immigration; and point to the £20-30 million spent each year by British visitors to the Channel ports. The ferry operators believe they would lose substantial business which is very sensitive to any increase in the cost or difficulty of getting to France.

## A320 (DEFENSIVE)

4. We are giving careful and urgent consideration to British Aerospace's request for Launch Aid for the A320 project, and expect to reach a decision in early February. M. Fiterman (Transport) has been pressing for an early decision as President Mitterrand will be aware. DTI have recommended that British Aerospace be offered up to £200 million Launch Aid, rather than the £440 million requested. Officials will be reporting to Ministers for a meeting of E(A) on 2 February.

## CHOICE OF LAUNCHER FOR SKYNET (DEFENSIVE)

5. In December HMG decided to use the US Shuttle, rather than the (largely French) Ariane rocket, to launch two Skynet military

communications satellites in 1985 and 1986. Financial, technical and operational factors strongly favoured Shuttle. The Prime Minister wrote explaining the decision to M. Mauroy saying that Skynet satellites would be made compatible with both Shuttle and Ariane. Ariane would be selected provided there were no unreasonable disadvantages regarding cost, reliability or mission compatibility. She also suggested setting up a joint group of UK/French officials. Mr Heseltine also wrote to M. Hernu (Defence), who has replied regretting the decision and seeking co-operation in future satellite design. A response is under consideration. We remain committed to the European Space effort and the Ariane space programme.

#### FAST REACTOR CO-OPERATION

6. The intergovernmental Memorandum of Understanding was signed on 10th January in Paris by ourselves, French, Belgians, Germans and Italians. It is hoped that the Dutch will join in due course. We now look forward to the co-operation being implemented.