



Foreign and Commonwealth Office

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10 July 1989

Jean Charles,

French Bicentenary: President Mitterrand

There may be opportunities for brief discussions with President Mitterrand and Prime Minister Rocard in the margins of the Bicentenary (though no formal meetings are planned). I enclose personality notes.

Bilateral Relations

The Prime Minister's last bilateral meeting with Mitterrand was at the Anglo-French Summit in Paris on 27 February; she saw Rocard in London on 8 February when he delivered the Chatham House Jean Monnet lecture.

North/South

Mitterrand could still spring a 'North/South' surprise at the 'Summit of the Arch'. The following points could be made, as necessary:

- Doubt need to relaunch North/South dialogue. Things have changed since 1981 Cancun Summit. North already talking to South in many fora: IMF, World Bank, GATT, UNEP. Better on an issue-by-issue and country-by-country basis.
- Should not raise expectations we cannot fulfil. Ground not prepared between Sherpas. Could not commit myself at such short notice.

Debt

Mitterrand may:

- press for a new middle income debt initiative to assist francophone countries like Congo and Cote d'Ivoire who have heavy debts to governments and therefore stand to benefit less from commercial bank debt reduction;

/- resurrect

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- resurrect the proposal he launched at the UNGA last autumn for a new allocation of SDRs to guarantee payments on reduced debt.

The Prime Minister may wish to say that:

- Generous assistance is available from existing sources (IMF, World Bank, Paris club) for francophone countries, if they agree structural adjustment programmes.
- We oppose greater public sector involvement in debt reduction, which must remain primarily a matter for banks and debtors to negotiate. Talk of further public money will only discourage the banks from reaching a deal.
- We oppose a new SDR allocation. There is no shortage of global liquidity. SDR allocations, if spent, are inflationary.

If Mitterrand refers to his recent decision to cancel the old aid debts of 35 African countries, the Prime Minister could say:

- We welcome cancellation of old aid debts. UK has cancelled about £1 billion of old aid debts and gives all new aid to the poorest countries on grant terms.

East/West Relations

Mitterrand may give an account of Gorbachev's visit to Paris and Strasbourg (4-6 July) (our letter of 10 July). The Prime Minister may like to:

- welcome the generally positive tone of Gorbachev's Strasbourg speech and its emphasis on cooperation;
- point to the inclusion of some unwelcome references, notably on SNF;
- seek Mitterrand's assessment of Gorbachev's position;
- touch on the state of UK/USSR relations: business very much as usual in other areas, while discussion of ceilings continues.

/EC/Austria



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EC/Austria

The Austrians will apply for EC membership by mid-July, making maintenance of their "perpetual neutrality" a precondition for accession. If Mitterrand raises it, the Prime Minister might say:

- the question of Austria's neutrality will need careful joint study: there can be no à la carte membership or block on the development of EPC;
- the Foreign Secretary hopes to discuss in detail with Dumas.

Security Issues

The most important current topic is conventional arms control. The current round of the Vienna CFE negotiations ends on 13 July. We are working on a "framework" proposal which we hope will be ready for tabling by 13 July. As envisaged in the Summit Declaration a fully fleshed-out proposal would be tabled at the start of the next round on 7 September.

There are difficulties over aircraft definitions. We and the French are ensuring that our shared interests, particularly over Dual Capable Aircraft, are protected.

On Chemical Weapons, we want leading Allies to work together to overcome obstacles to a CW Convention; and proposals for extension of export controls on CW precursors must be soundly based, with priority given to effective implementation of existing controls.

On bilateral defence cooperation, the Prime Minister might:

- welcome progress towards greater cooperation between conventional forces (notably over maritime operations and operations in NORTHAG);
- say we value our exchanges with the French on aspects of nuclear defence cooperation: we hope these links can be strengthened;
- say that we look forward to details by early September of any French missile which can meet our requirements for a tactical air-to-surface missile: our final decision will be made on the merits of the candidate systems - any French missile will be given full and fair appraisal.



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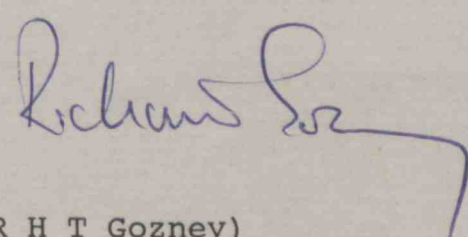
France: Internal

Important municipal elections took place in France on 12 and 19 March. The Socialists made a net gain of 12 Towns. Rocard was elected with ease. The Right Wing was braced for considerable losses but fared better than expected. Their performance reflected the policy of the RPR Secretary-General, Juppe (whom the Prime Minister saw on 23 March) to rejuvenate the party and portray a younger, more modern image. In the European elections, the Socialists did unexpectedly poorly. Giscard did well at the head of the RPR/UDF list thereby thwarting Centrist ambitions. The Ecologists polled over 10%. Mitterrand's room for manoeuvre has probably been a little reduced and Rocard's position has strengthened, as the poor Socialist result amounted to a set-back for his main rival, Fabius.

The Economy

The French economy has strengthened recently. Estimated growth is now 3.8%. Unemployment is still 10%. Inflation is currently about 3.5%. The impetus of the Chirac government's deregulatory policies has been lost. France is the UK's third largest export market; the UK has risen to be France's third largest overseas market. The balance of trade is slightly in France's favour: Britain exported £8.3 billion to France in 1988 and France exported £9.4 billion to us.

I am copying this letter to Alex Allan and Nigel Wicks (HM Treasury) and to Trevor Woolley (Cabinet Office), and Brian Hawtin (MOD).

Yours ever,


(R H T Gozney)
Private Secretary

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MITTERRAND, FRANCOIS GCB

President. (First term: 1981-88; Second term: Since May 1988)

Born 1916. Son of a railway official. Trained as a lawyer in Paris. Distinguished war service including escape from a prisoner of war camp and resistance work (mission to London in 1943). Represented Nièvre in North Central France from the end of the war until election as President. Was one of the few French politicians to oppose de Gaulle's return to power in 1958 which he considered imposed by the armed forces. From 1958-81 he was de facto leader of the opposition. Ran unsuccessfully for President in 1965 and 1974. From 1971-81 was First Secretary of the renovated Socialist Party (PS) which, under his leadership has become the dominant force on the left of French politics. A skilful party tactician, Mitterrand did much to hold the warring factions of the PS together during the long period of opposition and of difficult relations with the Communist Party (PCF). He made a State Visit to the UK in 1984: the Prince of Wales greeted him at Victoria Station and attended both banquets.

Mitterrand is not a doctrinaire socialist but rather a humanist with egalitarian instincts and a sense of public responsibility. By nature aloof with few personal friends. Keeps his own counsel. He is keen on books, painting and writing. His air of self-possession and unflappability is part cultivated and part natural. As President, adopted an outward air of confidence and serenity during difficult periods and low popularity ratings.

His wife had a good resistance record and a strong interest in Human Rights causes (this influence can sometimes be detected in her husband's actions). Of his two sons, one was elected a PS Deputy in 1981.

ROCARD, MICHEL

Prime Minister since May 1988.

Born 1930. Son of Professor Yves Rocard CBE, a distinguished nuclear physicist. Studied literature and entered ENA. Resigned from government service in 1967 to stand (unsuccessfully) in Legislative elections. Secretary General of the *Partie Socialiste Unifié* (PSU) 1967-73. Joined Socialist Party 1974. Member of the National Secretariat 1975-79. Deputy for the Yvelines 1969-73 since 1978. Minister for the Plan 1981-83. Minister for Agriculture from 1983 until his resignation in 1985.

Rocard made his name as a national figure during the May events of 1968. His party was the only one to be identified with the student movement, and its leaders occupied key positions in the main student and teacher organisations. He broke with the PSU in 1974 after its failure to amalgamate with the Socialist Party. He then rose swiftly in the Socialist Party. During the past decade, Rocard had moderated his leftish image. He remains one of France's most popular politicians. He has a strong intellect, and keen political instincts. A good speaker when audible (very rapid delivery), his distinctive brand of intellectual garrulousness sometimes speaks more of a hyper-clever university don than a statesman of Presidential stamp.

He visited the UK as a COI Category I sponsored visitor in 1980 and 1988. During the latter visit he met the Prime Minister, Foreign and Defence Secretaries, Chancellor of the Exchequer and Governor of the Bank of England.

Rocard speaks good English. He is divorced and remarried (to a sociologist). He has two children by each marriage.

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