



Foreign and Commonwealth Office

London SW1A 2AH

2 March 1982

Dear Idun,

The Prime Minister's Talks with M Jacques Chirac, President of the Rassemblement Pour la Republique (RPR): 3 March 1982

In your letter of 1 February you gave us the opportunity to offer confidential briefing on certain points for the Prime Minister's talks and lunch with M Chirac, when he visits London on 3 March at the invitation of the Conservative Party.

I attach a personality note and briefs, with a line to take and essential facts, where necessary, on:

- 1) East/West Relations
- 2) Defence Issues
- 3) European Community Affairs

You will wish to know that the Department has been in regular contact with Rosemary Spencer of Central Office about the briefing details.

Sir Reginald Hibbert gave lunch last month to M Chirac who said he intended to put the question of European defence at the top of the agenda for his talks with the Prime Minister. We have since learnt that he might introduce the topic through a general discussion of East/West relations.

On East/West relations, M Chirac has called on the French Government to show greater firmness in its attitude towards the Soviet Union. He has argued that France should boycott the Madrid CSCE Meeting until the Soviet Union fulfils its obligations under the CSCE Final Act. France should also review its economic and technological agreements with the Soviet Union. The recent Franco/Soviet gas contract should not have been signed.

In recent months, the Gaullists, under M Chirac's impulse, have begun to make more favourable noises than in the past about the idea of closer defence cooperation among the major European powers. At the moment neither M Chirac nor his party appear to have any clear idea where this might lead. In private M Chirac

/merely speaks



merely speaks of the need for closer defence links between France, the UK and the FRG, with the inclusion of Italy in respect of the Mediterranean. His message appears to be that the renaissance of an independent Europe is not going to come about by way of economic integration, and the way forward is through cooperation in the field of defence.

Sir Reginald Hibbert has also suggested that the Prime Minister might use the occasion to put across some of our views on European Community affairs: M Chirac's views are along predictable French lines. We cannot hope to convert him but it is in the UK's interest that he should have a clearer impression of Britain's confidence that the Community will be able to progress better once the major problems are settled.

M Chirac and his party are extremely critical of British policy towards the European Community. He accuses the British Government of attempting to transform the European Community into a free trade area. Most recently the Gaullists have attacked what they see as British obstructionism over CAP price-fixing. Rather than allow European farmers to be held hostage by the British Government, the RPR has urged that the French Government should leave the negotiating table at Brussels.

The Prime Minister may wish to enquire about M Chirac's own political prospects. In last year's Presidential election M Chirac obtained 18% of the First Round vote. Since then the French electorate has begun increasingly to look to him rather than to M Giscard or to any other personality from the former governing majority to lead the combat against the French Government. Within the RPR M Chirac's position is unchallenged. He is, however, still distrusted by many Giscardians for his role in M Giscard's defeat. Time and considerable political skill will be required if M Chirac is to broaden his support to the point where he is accepted as the natural leader of the Opposition as a whole. M Chirac has his sight set on the 1988 Presidential election. More immediately he faces re-election as Mayor of Paris in 1983.

M Chirac's economic policy advocates a reduction in the levels of taxation and of government expenditure to promote faster economic growth and thereby absorb unemployment. State intervention in the economy should also be restricted. The Gaullists have naturally been in the forefront of the Opposition's campaign against the Government's nationalisation programme. M Chirac also favours close economic relations between France and the Third World to provide an outlet for French exports.

I am sending a copy of this letter to the Private Secretaries of those other Ministers who will be involved in some of the entertainment offered to M Chirac.

Yours ever

John Holmes

A J Coles Esq
10 Downing Street

(J E Holmes)
Private Secretary



CHIRAC, JACQUES

Former Prime Minister, President of the RPR, Mayor of Paris.

Born 1932. Education included a summer course at Harvard. Fought in Algeria. Ecole Nationale d'Administration. First came to notice as an energetic member of M Pompidou's Cabinet in 1962. Entered politics in 1967, winning from the Left a constituency in the Corrèze. Retained his seat in subsequent elections. Junior Minister for Social Affairs and Employment in 1967. Junior Minister under Giscard d'Estaing at the Ministry of Economy and Finance 1968-71 (where the two got on well). Subsequently Minister responsible for the Government's relations with Parliament. Minister of Agriculture (1972-74) and briefly Minister of the Interior before being appointed Giscard's first Prime Minister on 27 May 1974. Secretary-General of the Gaullist UDR from December 1974 to June 1975 and thereafter Honorary Secretary-General. Resigned as Prime Minister in August 1976. Regained his parliamentary seat in the Corrèze in a by-election in November 1976. President of the new Gaullist movement, the RPR, in December 1976. Elected Mayor of Paris, March 1977. Member of the European Parliament 1979-80.

M Chirac's rise has been meteoric. He began as an ambitious technocrat, bent on making it to the top. He made some early mistakes: he was a failure when handling the Government's relations with parliament. But he rapidly acquired a keen political sense. He is a tireless schemer; his calculation that Chaban-Delmas would be a bad candidate in the 1974 presidential elections and encouragement of defections from the Gaullist camp put Giscard in his debt and helped to make him the obvious choice for Prime Minister. At first the Giscard-Chirac tandem worked well. Chirac re-imposed discipline on the UDR, contriving to get himself elected Secretary-General of the movement only six months after ditching Chaban, its chosen presidential candidate, in Giscard's favour. His record in government was equally impressive, and he helped to steer the country through the shoals of economic recession, while selling Giscard's reforms to parliament and to the country. In foreign affairs his role was restricted and his performance more uneven.

Despite a scrupulous facade of loyalty to the President, Chirac began to fall out with him at least a year before his resignation as Prime Minister. Their differences were both temperamental and political. Chirac resented Giscard's monarchical tendencies and became increasingly convinced that his strategy of winning over the soft fringe of the Left by liberal reform was deeply mistaken. The crunch came in the cantonal elections in March 1976, which were a severe defeat for the President. Characteristically, however, Chirac moved too quickly to take advantage of Giscard's setback, and the President, after losing his footing for a moment, fought back, progressively reducing the powers of his Prime Minister to a point where Chirac had little alternative but to resign.

/Chirac



Chirac quickly relaunched himself in national politics. In an attempt to revitalise and rejuvenate the UDR, he changed its name to the RPR and was elected President of the new movement in December 1976. There was some grumbling from the old guard, but most had no choice but to fall into line, no comparable leader being available.

Meanwhile Chirac's relations with the President deteriorated sharply as he intensified his criticism of Giscard. Chirac's victory in 1977 in the first direct election for the Paris Mairie against the Elysée candidate, d'Ornano, further aggravated relations.

Chirac campaigned energetically and effectively for the Government Majority in the 1978 Legislative elections. Subsequently, he considered that Giscard and Barre did not give the Gaullists sufficient credit for their part in the Majority's victory. Chirac refused to support the Opposition to bring down the Government in motions of non-confidence. But his criticisms of Giscard broadened to encompass all aspects of Government policy. The Gaullist set back in the 1979 European election led Chirac to moderate the tone of his public criticism of Giscard. After a period of several months self-imposed silence, in February 1981 Chirac finally announced his decision to stand against Giscard for the Presidency. He received 18% of the first round vote.

Chirac is a man of action rather than reflection; his nickname, the bulldozer, is apt. No-one else on the Right combines his advantages of youth, energy, experience and competence. Unlike many other major political leaders in France, he is not a rounded figure but a political monomaniac. He does not appear to be interested in either culture or the high life, his main hobby is food. The Left affect to regard him as a dangerous man with fascist tendencies, but there is no doubt that his combination of authority, drive and nationalism appeals to a wide range of conservative opinion.

He is married to a smart and pleasant wife, niece of M de Courcel. They have two daughters. He speaks reasonably good English.



BRIEF No 1 : EAST/WEST RELATIONS

Line to Take

1. Alliance must remain united and bring home to Russians that their behaviour over Afghanistan and Poland has undermined basis for stable East/West relations. Latter only possible in climate of mutual confidence, which can only develop as result of restraint in international arena.
2. Must continue to warn Russians against direct intervention in Poland. Polish crisis already doing grave damage to East/West relations; but Soviet military intervention would make situation dramatically worse.



BRIEF NO 2: DEFENCE ISSUES

Line to Take

1. Have noted with interest discussion by both Government and Opposition in France of need to think about nature of European security arrangements.
2. Basic paradox is that Europe, though independent and wealthy, cannot assure its own defence. Natural that Europeans should seek ways to change this.
3. But extreme caution needed in considering changes to security framework. Moves in direction of separate European defence identity could put US commitment to Europe at risk at time when West can ill afford division.
4. Objective must be to find focus for European aspirations, enhance European contribution to Alliance and demonstrate to Americans that Europeans pulling their weight within existing arrangements.
5. Do not have ready-made solution, but believe that pressures on defence budgets must lead to closer cooperation in both defence industrial and military fields if scarce resources to be used to best effect. Desirable outcome may therefore be for Europeans to exploit possibilities of inter-dependence, making European contribution to Western defence both substantial and distinctive thereby.

/Essential

Essential Facts

6. French Ministers and other political figures have speculated on a number of occasions recently about the future of European security arrangements.

7. For example, the French Defence Minister, M Hernu, alluded in a press interview in January to discussions with France's European partners on 'modifications and new definitions for the Atlantic Alliance', but it has since been implicitly denied that France had begun to offer proposals to its European partners. M Hernu's Deputy, M Lemoine, has repeatedly emphasised French support for the WEU, but this interest has been explained as reflecting a domestic political requirement for rhetorical support for the organisation. Former President Giscard also spoke earlier this month of giving Europe its own defence personality, within a system of Alliance with the United States.

8. When questioned about these statements, French Ministers and others have invariably retreated into vague generalisations. French motives and intentions are therefore difficult to determine. One possible explanation is that the French, while aware that the problems of European defence must be addressed, are inhibited by France's anomalous relationship with NATO from approaching the problem directly. They are therefore casting about for alternative means of cooperating more closely with their European allies on defence issues with no clear idea about how to proceed.



BRIEF NO: 3 EUROPEAN COMMUNITY AFFAIRS

Line To Take

30 MAY MANDATE

1. Agreement of 30 May 1980 pledged Community to find lasting solution of budget problem through structural changes. Keen to get an early settlement of this issue.
2. Basis of UK case is that if no adjustment were made, burden on UK would be quite intolerable for a Member State with below average GNP per head. Latest estimate for 1982 is about £1000 m. Can see no justification for such a massive transfer from UK taxpayers while richer countries, including France, secure a net benefit. UK also suffers economic losses from having to import food at higher than world market prices.
3. UK Government firmly committed to working for Community. Major objective is to reinforce Community development by strengthening policies in social, regional and other areas. UK Presidency helped improve UK public's attitudes towards Community membership: anxious to keep this up. But need cooperation of Community partners to correct what British people see as gross inequity of budget position.
4. UK not trying to 'change the rules'. We accept basic financial principles of Community. Problem now before us was fully discussed in accession negotiations when Six gave crucial assurance about 'unacceptable situations'.
5. UK not seeking 'juste retour'. Our basic approach is that net balances should be related more closely to relative prosperity and that transfers should go from richer to poorer Member States, not vice versa. This is quite different from 'juste retour' and would reinforce solidarity with Community.
6. Problem not one of adjustment or adaption by UK. We have adjusted - over 40% of imports now from Community compared with under 30% before accession. Problem arises from structure of Community budget, in particular the preponderance of agriculture in it, and from the relative size of agriculture in our economy.

COMMON AGRICULTURAL POLICY

7. UK not out to destroy CAP. Aim is constructive change: we must control growth in surplus production and cost of disposal. Believe



we need continuing policy of restraint on prices, measures to limit the open-ended guarantee system and financial guideline whereby CAP expenditure grows less rapidly than own resources.

8. All Heads of Government/State agreed last year that three chapters of Mandate negotiations should proceed in parallel. CAP aspects now being dealt with in price fixing. Average 9% price increase proposed by Commission too high particularly for surplus products. Of course higher CAP expenditure increases budget problem. Thus must solve budget problem at the same time.

9. Aid packages announced in 1980 and 1981 by different French Governments incompatible with principles of CAP. Much of aid clearly illegal: overall size of aids distorts competition. These actions likely to be greater threat to CAP than UK objectives for constructive reform.

FISHERIES [IF RAISED]

10. UK determined to play its full part in negotiations on the Common Fisheries Policy and hope agreement on outstanding issues can be reached soon. [If pressed]. Hopeful that agreement will be reached but if it is not our view is that the existing arrangements will have to continue until agreement on new arrangements is reached.

Essential Facts

30 MAY MANDATE: BUDGET

11. M Chirac has been strongly critical of the present French Government's handling of the Mandate negotiation, accusing them of being too generous to the UK. The French Government will eventually have to defend a settlement domestically, and anything we can do to blunt the vehemence of the French Opposition's attacks could be helpful in reducing the pressure on the Government to be obdurate in the Mandate negotiation.

12. The next stage in the negotiations is for the Presidents of the Commission and Council to undertake a round of bilateral contacts with Member States before a full day's discussion by Foreign Ministers on 23 March. The Commission has agreed, at our request, to circulate some basic figures so that Ministers can discuss substantive solutions to the budget problem with a full data base.

COMMON AGRICULTURAL POLICY

13. Ministers agreed in OD(E) on 11 February that we would not settle CAP prices in the absence of a satisfactory budget agreement. The French Government are under considerable pressure from the farming



lobby. They do not want any delay in agreeing CAP prices. French farm incomes declined by some 7% in 1981. Inflation is running at about 14%. Mme Cresson seems to be aiming for price increases of about the same order for French farmers.

14. The French Government announced national aids for agriculture worth about £150 m in December. A similar package was given by President Giscard in 1980. The Commission are investigating it with a view to action under the national aids provisions of the Treaty. Mr Walker and other Member States have been pressing in the Agriculture Council for the Commission to take effective action to prevent this aid being paid - something they conspicuously failed to do last year.

FISHERIES

15. Negotiations for a revised CFP have been going on for several years. The original policy was agreed by the Six shortly before the opening of our accession negotiations. Derogations were agreed in 1972 to take account of UK interests. These derogations expire at the end of 1982, but there was explicit provision in the 1972 arrangements for a forward-looking review at the end of the period. The French have sometimes taken the line that when the derogations expire, the Community will revert to the original CFP, which will enable French and other Community vessels to fish right up to British beaches. In our view, negotiations for a revised CFP would have to continue until agreement was reached and in the interim, the current arrangements would have to be extended.

Mr. ~~Coles~~ France

PRIME MINISTER

Lunch for Monsieur Jacques Chirac
Wednesday, 3 March

I attach the list of guests attending the lunch tomorrow for Monsieur Chirac, together with a draft seating plan. Ian Gow has seen the seating plan.

Do you agree please?

Sue Goodchild
—

2 March, 1982

C.C. Mr. Ian Gow

~~Mr.~~ John Coles

LIST OF GUESTS ATTENDING THE LUNCHEON TO BE GIVEN BY THE
PRIME MINISTER IN HONOUR OF MONSIEUR JACQUES CHIRAC, MAYOR OF PARIS
ON WEDNESDAY, 3 MARCH 1982 AT 1.00 PM FOR 1.15 PM

The Prime Minister

Monsieur Jacques Chirac

Monsieur Jean-Pierre Delalande

Vice President of the Party
responsible for international
affairs

Monsieur Bernard Billaud

Director, Monsieur Chirac's
Private Office

Rt. Hon. Humphrey Atkins, MP

Rt. Hon. Edward du Cann, MP

Sir Henry Plumb, MEP

Sir Anthony Royle, MP

Mr. George Gardiner, MP

Chairman, European Affairs
Committee

Mr. Ray Whitney, MP

Chairman, Foreign Affairs
Committee

Mr. Ian Gow, MP

Mr. John Coles

Caroline

I think we should treat him like
Herr Kohl - i.e. have a
photocall.

MR. COLES

A.J.C. 22/2 (11.58am)

Chirac's Visit

Told CCO
of 23/2

International Office at Central Office
have asked whether there could be a photocall.

I wouldn't have thought this was a very
good idea would you?

ES.

22 February 1982

France



10 DOWNING STREET

MR. COLES

Chirac's visit

Chirac told the British Ambassador in Paris last week that European defence would be at the top of his agenda for talks with the Prime Minister. The international office will feed this information through to the Foreign Office to get a brief but they wondered whether John Nott should be invited to attend the talks?

F/O - *staley*
[Signature]

Caroline

18 February 1982

Sorry for delay. LPS will be there and can cover staley. Not necessary to have John Nott there. A.S.C. 25



10 DOWNING STREET

From the Private Secretary

~~John.~~

Chirac lunch

L.P.P. has got first
order question & will
have to leave at
14.15. We have
told his office that
it is better he
comes, leaves
early than not come.
Agree?

C.J.

PRIME MINISTER

c. Mrs Goodchild

hi 13

Monsieur Chirac

The above is visiting you on 3 March for talks and lunch. It is a Party occasion, arranged and paid for by Central Office.

Central Office and Mr. Gow have suggested the following guest list for a working lunch of 12 people.

- | | |
|--------------------------------------------------------------|-----------------------------------------|
| M. Chirac | |
| M. Delalande | Aide to M. Chirac |
| M. De Lipkowski | Diplomatic Adviser |
| M. Cuq | Private Secretary |
| Mr. Parkinson (or if he is not available Alistair MacAlpine) | |
| Sir Anthony Royle | |
| Lord Privy Seal | |
| Mr George Gardiner, MP | Chairman, European Affairs Cttee |
| Mr. Ray Whitney, MP | Chairman, Foreign Affairs Cttee |
| Mr. David Hunt, MP | Chairman, Conservative Group for Europe |
| Mr. Coles | |

I am quite happy to stand down if you would prefer this. I have included myself (at Central Office's suggestion) only because it might be useful to have a record of what is said.

You may wish to consider whether the new Leader of the Conservative Group in the Strasbourg Parliament, when we know who he is, should be preferred to someone on the above list.

Otherwise agree?

AJC

1 February 1982

A

Sue Goodchild

Rosemary Spencer telephoned today.

M. de Lipkowski telephoned Central Office today to say that he will be accompanying M. Chirac on 3rd March. Thus there will be M. Chirac + 3 for lunch on that day.

Tom Arnold MP speaks French. He may or may not be on the guest list for this lunch, but if not, could he either be included or put on the reserve list?

Tessa

1.2.82

cc. ~~Ian Gow~~

1/2/82

~~John Gow~~

1 February 1982

M. Chirac

As I think you know, M. Chirac will be having talks and lunch with the Prime Minister on 3 March. This is a Party occasion and the arrangements are being made by Conservative Central Office. I believe, however, that Rosemary Spencer of Central Office may be seeking assistance from you over the briefing. Should you wish to offer confidential briefing on certain points, I should be grateful to receive this by Monday 1 March.

AJC

F.N. Richards, Esq.,
Foreign and Commonwealth Office.

MR. COLES

c.c. Mrs. Goodchild

Chirac

1. M. Chirac now wishes to bring, in addition to the name I gave you yesterday, his Private Secretary, at the Hotel de Ville. He is called M. Cuq.

2. The Foreign and Commonwealth Secretary is unable to come that day. Rosemary Spencer has asked the Lord Privy Seal to pencil it into his diary. Could she please be rung next week when the guest list has been finalised.

She will do it.

E.J.

* *She has just rung back to say that there will have to be an European Minister present.*

29 January, 1982.

MR. COLES

Visit by Monsieur Chirac

1. He is not bringing his wife.
2. He speaks good English.
3. He will be accompanied by an aide, Monsieur Delalande.

es.

28 January, 1982

MR. COLES

I spoke to Rosemary Spencer at the International Office at Central Office this morning, and have the following information for you on the Chirac visit.

1. The Foreign Office have been informed.
2. Central Office will do the brief.
3. Central Office will pay for the lunch.
4. Rosemary Spencer will be responsible for the programme and will let us have a copy in due course. He will be met at the airport etc.
5. Rosemary will check on his English.

es.

27 January, 1982.

CF

26 January 1982


M. Chirac's Visit

Could you let me have the following information as soon as possible. Sorry to be bureaucratic but I think it best if I could have it in writing.

1. Have you told the Foreign Office?
2. Will Central Office alone be preparing the brief or will you be involving the FCO?
3. Who will pay for the lunch? I assume the Party.
4. Will you be responsible for the programme (for instance, who will meet him at the airport)?
5. At your convenience could we have a copy of the programme.

C.S.

Miss Rosemary Spencer,
Conservative Central Office.





10 DOWNING STREET

Sue Goodchild

This visit was arranged before my arrival.

Have we asked the P.R. what kind of lunch she wants? If not, let us do so.

A.J.C. ^{Lb.}_T

MR. COLES

I don't have any papers on this visit. Presumably if the Prime Minister approves the attached list, the lunch would have to be paid for by the Party?

Sue

26 January 1982

MR. COLES

Lunch for M. Chirac on Monday, 3 March

The Prime Minister has agreed to give a lunch for M. Chirac on Monday, 3 March. It would be helpful to know what size of lunch the Prime Minister would prefer:

- (a) working lunch for 12;
- (b) a maximum of 32 at the long table
- (c) 48 at six round tables (as for Dr, Kohl).

Sue Goodchild

26 January 1982

MR. COLES

The following are names suggested by the International Office at Central Office for the lunch for Chirac on 3 March:

— Prime Minister

M. Chirac

~~Foreign Secretary~~

~~Chairman~~

✓ Sir Anthony Royle

✓ Mr. Coles

~~Alistair McAlpine~~

George Gardiner, MP - Chairman of European Affairs Committee

✓ ~~Ray Whitney, MP - Chairman of Foreign Affairs Committee~~

David Hunt, MP - Chairman of Conservative Group for Europe

✓ Sir Philip de Zulueta - Chairman of the Franco-British Council

~~Mr. Scott Hamilton - Head of the International Office at Central Office~~

✓ ~~Ed Chamberlain (as an Ed Chamberlain)~~

Handwritten notes:
N. Delalande (aide to N. Chirac).
N. Cug - IS
De Lipkowski -
Lilantha Alvin
Leader of League
in Kings
C.P.

25 January 1982

Handwritten note:
They wd like the
go ahead on these
names a.s.a.p.
if Chirac brings
an aide, they
suggest Ray W.
drop out.
C.P.