

DSY 261100Z

x22

Foreign Policy

ADVANCE COPIES

EASTERN EUROPEAN ECONOMIC

PS  
PS/MR RIFKIND  
PS/PUS  
MR EVANS  
SIR J BULLARD  
MR GOODISON  
MR THOMAS  
MR HANNAY  
HD/EESD  
HD/ECD(E)  
HD/WED  
HD/ESID  
HD/ERD  
HD/NEWS D  
HD/PLANNING STAFF  
HD (Depts)

MR MOUNTFIELD H M TREASURY  
MR BREACH ECGD  
MR WENBAN-SMITH CABINET OFFICE  
MR POWNALL CRE4 DOT  
MR LOEHNIS B/ENGLAND  
MR COLES No.10 DOWNING STREET

ADVANCE COPY

IMMEDIATE



Handwritten scribble

GRS 450  
CONFIDENTIAL  
DESKBY 261100Z NOV  
FROM PARIS 261025Z NOV 82  
TO IMMEDIATE FCO  
TELEGRAM NUMBER 1139 OF 26 NOVEMBER 1982  
INFO IMMEDIATE TO WASHINGTON  
INFO PRIORITY BONN, ROME, UKDELNATO, UKREP BRUSSELS  
INFO ROUTINE TOKYO, OTTOWA AND MOSCOW  
MEETING BETWEEN THE PUS AND THE SECRETARY-GENERAL OF THE  
QUAI: EAST/WEST ECONOMIC RELATIONS

Prime Minister  
This is much gloomier  
on the French attitude  
than I had thought.  
Trouble ahead between  
the U.S. and France.

A.S.C. 26/11

1. IN HIS DISCUSSION WITH THE SECRETARY-GENERAL AT THE QUAI YESTERDAY AFTERNOON, THE PUS INVITED GUTMANN TO EXPLAIN WHERE FRANCE NOW STOOD ON THE STUDY OF EAST/WEST ECONOMIC RELATIONS BY WESTERN GOVERNMENTS.
2. GUTMANN REAFFIRMED HIS STRONG OBJECTION TO ANY DIRECTING ROLE FOR NATO IN THESE DISCUSSIONS. HE REFERRED TO THE SHULTZ NON-PAPER AS QUOTE THE NON-EXISTING NON-PAPER UNQUOTE. HE SAID THAT PRESIDENT REAGAN'S STATEMENT ON 13 NOVEMBER HAD GIVEN THE FRENCH THE IMPRESSION THAT THE PRESIDENT BELIEVED IT POSSIBLE TO HAVE A KIND OF NATO TREATY GOVERNING ECONOMIC RELATIONS WITH THE SOVIET UNION. BUT THIS WAS UNREALISTIC AND CONTRARY TO THE NATIONAL INTERESTS OF EUROPEAN GOVERNMENTS. FRANCE WAS READY TO HOLD TALKS ON ALL ASPECT OF EAST/WEST RELATIONS, PROVIDING THESE WERE COMPREHENSIVE. THEY SHOULD COVER ALL CREDITS AND ALL SUBSIDIES. BUT FRANCE DID NOT BELIEVE THAT SUCH TALKS COULD LEAD TO THE ELABORATION OF A PRACTICAL STRATEGY. NATIONAL INTERESTS WERE TOO DIVERSE FOR THAT.

3. PAYE (ECONOMIC DIRECTOR) ADDED THAT MOST OF THE STUDIES

3. PAYE (ECONOMIC DIRECTOR) ADDED THAT MOST OF THE STUDIES REFERRED TO IN THE NON-PAPER HAD BEEN IN PROGRESS FOR YEARS IN VARIOUS FORA, E.G. COCOM AND OECD. BUT WHAT WAS IMPORTANT WAS THE SPIRIT IN WHICH THESE DISCUSSIONS WERE APPROACHED. IF THE US WANTED TO INJECT A SPIRIT OF ANTI-SOVIET ECONOMIC WARFARE THERE WOULD BE GRAVE DIFFICULTIES. IF HOWEVER THE US GOVERNMENT TOOK INTO ACCOUNT THE VIEWS OF ITS PARTNERS THERE WAS THE POSSIBILITY OF REACHING BETTER UNDERSTANDING AND BETTER HARMONISATION IN SOME AREAS. WE SHOULD NOW FORGET THE QUOTE INCIDENT UNQUOTE OF 13-14 NOVEMBER AND THE PROCESS WHICH LED TO IT, AND LOOK AHEAD.

4. THE PUS AGREED THAT ALL THE PARTICIPANTS IN THE EXERCISE HAD DIFFERENT STARTING POINTS, DETERMINED BY GEOGRAPHY AND HISTORY. IT WAS DOUBTFUL WHETHER A DETAILED STRATEGY COULD BE ELABORATED TO COVER EVERY INTEREST. THE BRITISH GOVERNMENT HAD BEEN PREPARED TO ENTER INTO DISCUSSION OF THE NON-PAPER, BUT WITHOUT PREJUDICE TO THE OUTCOME. IT WAS NOW IMPORTANT TO AVOID OVERT DISAGREEMENTS THAT WOULD ONLY BENEFIT THE USSR. EVANS ADDED THAT SOME FORM OF OVERALL COORDINATION OF THE VARIOUS STUDIES OF EAST/WEST ECONOMIC RELATIONS WOULD BE NECESSARY AND ADVISABLE, NOT LEAST TO ENSURE THAT THE JAPANESE WERE FULLY INVOLVED. NEVERTHELESS, IT SEEMED CLEAR FROM THIS DISCUSSION, AND FROM THE SUBSEQUENT TALK BETWEEN PAYE AND EVANS, THAT THE FRENCH WILL RESIST AN EARLY MEETING OF THE SEVEN PLUS TWO IN WASHINGTON TO FOLLOW UP THE SHULTZ NON-PAPER.

FRETWELL

NNNN

SENT AT 26/1103Z CP  
RECD AT 26/1103Z RH