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THE WHITE HOUSE

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NSC REVIEW  
COMPLETED

State Dept. review completed

MEMORANDUM OF CONVERSATION

**SUBJECT:** Meeting with President Mitterrand of France

**PARTICIPANTS:** William P. Clark, Assistant to the President  
for National Security Affairs  
Amb. Evan Galbraith, United States Ambassador  
to France, notetaker

President Francois Mitterrand of France  
Jacque Attali, Personal Advisor to Mitterrand  
Mr. Thierry, Interpreter

**DATE, TIME** October 27, 1982  
**AND PLACE:** 6:30 - 8:30 p.m., Elysee Palace, Paris, France

The following sequence developed as reported by Amb. Galbraith:

There was a cordial exchange of greetings, Mr. Clark referring to President Mitterrand's request for meeting in Washington on March 12 and President Reagan's pleasure at the forthright nature of President Mitterrand's remarks at that meeting. Mr. Clark thanked President Mitterrand for accepting President's request that President Mitterrand receive Mr. Clark on such short notice to discuss issues of serious consequence. Mr. Clark noted that since that time, however, problems have occurred and we want to be certain the facts relating to these problems are correct. If correct, it may become necessary to review some of our policies as they relate to France. Mr. Clark said that he did not expect complete answers this evening to all matters and encouraged President Mitterrand to make any additional comment later by direct communication and consultation with President Reagan. (S)

Of the matters discussed on March 12, Mr. Clark stated President Reagan believes several have been positive, others negative. Mr. Clark stated with President's permission, we would consider positive matters first.

a. U.S. interest rates were cause of concern to France at the time of the March meeting but President Mitterrand had said he would not criticize the U.S. for these rates, particularly at Versailles, and we are appreciative of that. Since that time, rates have dropped from the 16 percent range to 10 percent and Mr. Mitterrand acknowledged that this drop has been beneficial. (S)

b. Mr. Clark pointed out our inflation rate has dropped substantially from the March level to a September level of only two tenths of one percent. (S)

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c. The U.S. still has an unemployment problem and ten percent bothers us. (C)

At the March 12 meeting President Reagan was pleased that President Mitterrand supported and continues to support the U.S. effort to rearm and generally stands by our policy with respect to defense and deterrence, having noted that after ten years of neglect, the Reagan policy was welcome and was in the best interest of the West. Mr. Clark also said President Reagan was pleased Mr. Mitterrand was reiterating his opposition to the various peace and nuclear freeze movements in Europe. (S)

On the positive side the U.S., assisted by France, has done a great deal in the Middle East toward achieving peace in Beirut and withdrawal of the PLO, the Syrians and the Israeli forces. Mr. Clark thanked the President for the quick reaction of the French to participation with us in the multinational force. Mr. Clark then added that we are encouraged by the reaction of the Arab delegation in Washington to President Reagan's peace initiative in the Middle East and expressed the hope that for the first time in thirty-five years there is a chance of actually establishing true peace. (S)

President Mitterrand said that before Mr. Clark moved away from the positive side of the balance sheet, he would like to express a few thoughts:

a. He cannot imagine that the negative aspects are really important because in the basic things, we see things very closely. France appreciates very much the drop in the interest rates and congratulates the U.S. in its victory over inflation. France is moving in the same direction, going from the 14 percent it inherited from Giscard d'Estaing to 10 percent at the end of 1982. Mitterrand expects an inflation rate of eight percent in 1983. Four to five percent is as low as they can go because if they tried to go any more and imitated the United States, he would be pumping the bicycle too fast and wind up with a heart attack and confined to bed.\* (The point being that too big a squeeze against inflation would create intolerable political consequences in France.) Mitterrand said that the U.S. is lucky in that its unions are more responsible. He went on to say that the military relations were in good harmony. France supports the US position in Geneva but if the talks fail he would actively support the deployment of the Perishing and he talks to the other members of the NATO Alliance along this line. He said that the French military budget is not being reduced for all practical purposes and that the amount of three billion francs which might be regarded as a reduction is de minimum. He underlined there would be no reduction of the troops in Germany and that they were expanding their expenditures on airborne forces (helicopters) and nuclear forces, citing the 6th SBN which was sped up by him and the 7th which he has now

\*Neither Mitterrand nor the Government refer to the fact that their present and prospective inflation rates are based on a price and wage freeze and that such rates do not mean the same thing as inflation rates freely arrived at.

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-3-

ordered. This will give France the capability of having 4 SBNS permanently underway. The defense budget is almost 4 percent of gross national product which is an increasing amount because the gross national product is increasing. France is not integrated into NATO but it is faithful to its alliance and will work closely with its other allies. As for the question as to how to deal with the Soviet Union he would leave that to Mr. Clark to discuss. (S)

Before allowing Mr. Clark to turn to the negative side of the ledger, Mr. Mitterrand said that he had discussed these military matters with Chancellor Kohl whose views coincided with those of Mr. Weinberger. Mr. Clark stated President Reagan was impressed with recent information that France and FRG were consulting in greater depth on national defense. (S)

Mr. Clark then addressed Latin America and Mitterrand reacted dramatically, saying that he had more or less forgotten about this region because they had greater concerns elsewhere, and implied that the United States was obsessed with the region. He backed off however and seemed impressed when Mr. Clark told him that Cuba had received one billion dollars worth of Soviet military equipment since January, comprising about four hundred thousand tons, the largest shipments ever. Mr. Clark went on to show the subversive activity of Cuba not only in Nicaragua but in El Salvador, Costa Rica, and Honduras. (He offered to continue briefing designated members of the French government on these points.) Mr. Clark added that the financial problems of Mexico have also added to our concern there. (S)

Mr. Clark thanked President Mitterrand for maintaining their March promise of no further arms to Nicaragua. Mitterrand replied that his arms contract with Nicaragua was not substantial and he remained faithful to his commitment not to add new contracts. Mr. Clark noted that while President Mitterrand had stated at the March meeting he would not ask Mr. Castro to Paris, we understand he may be coming. President Mitterrand said there is no immediate plan for him to come to France. However, there is a rumor that Fidel Castro will go to Sweden and if that is the case he may pass through France but he will consider our concern in the matter. Mitterrand stated he thinks our policy towards Cuba is wrong but as time goes on it may be proved right due to the fact that Nicaragua is having more and more difficulty with its revolution. Mr. Clark added this is evidenced by increasing internal suppression of the Church and press and external subversion in Honduras, El Salvador, Costa Rica and Panama. (President Mitterrand was slightly sarcastic at this point, stating we will only be deemed right when a tragic development takes place in Central America.) Going back to his relations with Nicaragua he said their original contract was merely symbolic, but he realized the symbol had become dangerous as far as France was concerned because of the intense interest

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-4-

and concern the US had over Nicaragua. He mentioned that Unge was not a communist and was a friend of his and that Unge was forced into joining with revolutionary forces. (At this point Mitterrand confessed that France had a certain sympathy for revolutionary groups.) He then stated that as far as Cuba is concerned, the French relations don't amount to much. They are only verbal. He would be happy to speak of this question as to the proper politics in Latin America at a later date. His only opinion was that it might be a good idea to speak to Castro if he comes, mentioning that American Presidents meet with Soviets -- such as Nixon and Ford, with Brezhnev. He thought it a good idea to speak to one's adversary. Smiling, Mitterrand said he has had difficulties reaching the ears and hearts of the Americans with respect to his views on Central America. Mitterrand also commented that he did not think the Sandanistas were doing well because they were too divided but that he, Mitterrand, was not an expert on this subject despite his having spent fifteen minutes explaining the best policy in Central America. The impression left was that their interest in Central America and Cuba is waning. (S)

Mr. Clark then moved to Africa setting out President Reagan's early interest in the independence of Namibia and his own involvement in Southern Africa while Deputy Secretary of State. Mr. Clark pointed out frankly that we felt the U.S. is in the best position to influence South Africa respecting both human rights (we agree not to berate them publicly in consideration for improvement) and Namibian independence. We feel progress has been made and that Angola appears ready to accept the concept of Cubans leaving, and the prospect for an independent Namibia is good. The U.S. has taken a very active roll not for glory but out of global responsibility. However, we feel success impeded by some very unfortunate public statements made by the French at highest levels that the United States is an impediment to the development of Namibian independence causing confusion and anger on the part of a number of officials in the U.S. Government. (At this point Mitterrand appeared dumbfounded. He professed to not knowing what we were talking about even though he himself made such remarks while in Africa this month. The Ambassador referred to a statement made in Dar es Salaam, and Mr. Clark pointed out how US newspapers such as the New York Times and the Washington Post report such statements within minutes of their having been rendered - even from the depths of African jungles. Mr. Clark said that if we fail in this effort to create a free Namibia only the USSR will gain. He further stated that if the process fails by reason of hardening by the front line states following Cheysson's statements, we will say so publicly. At this point Mitterrand intervened to say that the policy of the United States and France coincided and that we both wanted free elections in Namibia, a new independent country and removal of the Cubans. (Originally Mitterrand put the removal of the Cubans first but he changed his phraseology to put free elections first and the removal of the Cubans last as part of their three basic points. Mitterrand referred to the fact that he had recently

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-5-

been in the Congo where he had seen Cubans and he thought the presence of Cubans there and elsewhere in Africa was deplorable. Mr. Clark also reminded him that there were, at the end of last year, an estimated six thousand East Germans in Angola. President Mitterrand said they too must leave. He stated he felt a breakthrough was imminent and they would continue on the Angolan-Cuban aspect. (S)

Mr. Clark moved north to Libya, stating that while Mr. Qadhafi is not a direct threat to U.S., he continues to support subversive activity in twenty different countries. Mr. Clark said that while he realized embargoes are not always the answer, the fact is that Libya is now near the bottom of the list of petroleum suppliers as the direct result of our embargoes. Mr. Mitterrand replied that his first dealings with Libya when he took office were in connection with Chad where he said France had played an important role in getting Libya out of Chad. He then said quite frankly that his policy towards Libya was ambiguous and it is not clear what France will do in connection with future relations. He made reference to a possible visit of Qadhafi to France but he repeated he did not know what their future policies would be. Mr. Clark reminded President Mitterrand that France continues to give aid, including a MAG contingent that services Libyan MIGs. (S)

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Mr. Clark then stated clearly and emphatically that we were concerned by a series of recent public statements made by high French government officials, including President Mitterrand attacking the United States and its policies, and we wanted to know the reasons for this. He cited specifically the statements of Prime Minister Mauroy in the United Nations, Mr. Cheysson and President Mitterrand in Kinshasha and stated that we found it offensive to be criticized unreasonably in public by our friends

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-6-

and contrary to the way in which we did things. In the UN we historically have sat idly by while small nations, many of whom were proxies of the Soviet Union, attacked the United States, but now Ambassador Kirkpatrick speaks back and we have found that the unreasonable attacks on us have diminished. Mr. Clark stated that if such statements continue from the French government, we have no alternative but to respond to them publicly. Mr. Mitterrand intervened that Madam Kirkpatrick was well known in France and has made comments which have bothered the French. (There was some discussion on this point in which Mr. Clark said he was unaware of any such statement by Ambassador Kirkpatrick but would check. President Mitterrand would not be more precise on this point and in the end smilingly dismissed it as a peripheral item.) Mr. Mitterrand referred to Jean Kirkpatrick as having langue pendu tant. Mr. Clark responded that Jean is our greatest Francophile. (S)

President Mitterrand said that sometimes language has to be revised although in the case of the gas pipeline, while our sanctions on the pipeline do not constitute imperialism, they do constitute hegemony in an unauthorized invasion of sovereignty (up to now, no reference had been made to the Polish-Soviet sanctions or "pipeline"). (S)

Mitterrand ended this point by saying we should all, including the French, make an effort to dampen down rhetoric and he would discuss it among the others. (C)

In reference to Mr. Mitterrand's remarks on "the pipeline" Mr. Clark stated that while he had not intended to get into the area for the reason that it was being managed by "the seven," he would accept the opportunity to describe the events leading up to the imposition of the sanctions to indicate the President's feeling and as a reflection of the President's principles and personality. In summary, during the Christmas holidays in December 1981, the President asked the Vice President and Secretary Haig, on an interagency approach, to come up with a recommendation which would give high visibility against Soviet intervention in Poland, all in the name of human rights. It was determined on December 29, 1981 that an embargo against transfer of oil and gas equipment and technology would be highly visible and damaging to the Soviet Union. At that point, Mr. Clark referred to later discussions between Secretary Haig and Gromyko suggesting that by summer some movement or relief would take place in Poland, such as the release of Walsea or easing of martial law, allowing the President to review the embargo and sanctions decision. This movement, of course, did not take place and President Reagan reacted against the lack of movement in Poland or at Versailles. (At this point Mitterrand intervened fairly vigorously saying nothing can happen in Poland. The very nature of the communist movement will not allow anything to happen. If necessary, they will act brutally but it is impossible for them to allow the society to become liberal. It can only get worse.) Mr. Clark referred then to

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-7-

the expectations of a strike on November 10 in Poland and how we expected to see the non-communist unions to reassert themselves in Europe. President Reagan took his sanctions against Poland knowing that it was going to be costly in the United States, both economically and politically. (Mr. Clark said \$500 million this year) but he said the President felt strongly about it and that he would stick with sanctions unless and until another group of actions equivalent to the President's present policy is agreed to by the Alliance. (S)

President Mitterrand ended the meeting with a statement of goodwill. He complimented Mr. Clark for his being a good advisor and effective advocate, joking he wished he were on his own staff. He said that he would think on these matters and he appreciated the frank and serious discussion which had taken place. (S)

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"From Ambassador Galbraith, Paris 079  
To the White House for Jacquelyne Hill, Personal Secretary to the Assistant to the President for National Security Affairs  
Please add the following paragraph below to draft I dictated yesterday. (C)

All in all Mitterrand put on quite a performance. Several times he played innocent, for example, when he poo-pooed our differences in Latin America; regarding Cheysson's public remarks on Cuban troop removal; and quoting an inoffensive passage from his eulogy on Mendes France as opposed to the offensive passage. He sprinkled in some intended humor, smiling often. He rattled off explanations and numbers with ease. He was conciliatory and generous in his attitude to Mr. Clark whose presentation obviously impressed Mitterrand. (Comment: Attali called Ambassador the next day "to clarify an important point," namely that Mitterrand's and other official comments on the dollar are not meant to be critical of President Reagan or the USG; it is the international monetary order which is at fault. (SIC))" (S)

At Mr. Clark's suggestion, we have avoided press on this visit - submissively. Two calls were received by Embassy asking who person was going into Elysee. Our press man responded he did not know - truthfully. (C)

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