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Foreign and Commonwealth Office



London SW1A 2AH

28 November, 1984

Dear Charles,

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Anglo-French Summit: Joint Press Conference

/ I attach notes for the Prime Minister's use at
the Press Conference which will conclude the Anglo-
French Summit on 30 November.

/ I also enclose a copy of the "scene setting telegram
"from Paris", which arrived today.

Yours ever,

Colin Budd

(C R Budd)
Private Secretary

C D Powell Esq
10 Downing Street

East-West Relations

1. We welcomed the prospect of contacts between East and West being developed in 1985. President Chernenko is expected to visit France, Mr Gromyko will be visiting the UK. There are also welcome prospects of a renewed dialogue between the United States and the Soviet Union, starting with Mr Shultz's meeting with Mr Gromyko in Geneva. We hope that this will pave the way for a resumption of negotiations on arms control. Each of us is committed to dialogue with the Soviet Union and with the countries of Eastern Europe. We agreed that patience and persistence would be needed if we were to make serious progress.

European Security

2. We welcomed the Rome meeting of the WEU which provided a useful basis for future European defence cooperation. We agreed that this in no way undermined the European commitment to NATO: indeed it complements it. We will explore areas of bilateral defence collaboration where expansion might be possible. The objective is to strengthen the European pillar of the Alliance.

European Community




3. The prospects are brighter since the agreement at Fontainebleau. We agreed on the need to ensure that the agreement on budget issues reached there is effectively implemented. We discussed enlargement and agreed that the negotiations should be completed as soon as possible. We agreed also on the need to look to the future development of the Community and to the improvement of the Community's competitive position so that we can create wealth and jobs. I attached particular importance to completion of the internal market, which would bring direct and immediate benefits to the people of Europe.

Counter Terrorism

4. In the light of the most recent tragic events, we discussed the measures that might be taken to counter terrorist activity. We agreed that the action already taken by the Community was useful and we hoped that this would pave the way for greater international cooperation to tackle the evil of terrorism.

Bilateral Relations

5. We received a report from Foreign Ministers on the whole range of Franco-British relations. The report identified a large number of projects where joint work is in progress. We have drawn up a list of examples which have been released to the Press. These include aero space



projects, notably airbus and the RTM 322 helicopter engine, the European fighter aircraft and other defence related projects as well as the Cross Channel Electricity Link, ESPRIT and communications satellites. We agreed on the value of contacts in all areas of science and technology, and endorsed the report's call for continuing efforts to strengthen industrial and scientific links between Britain and France. We welcomed the understanding reached between the responsible Ministers in the two Governments on further steps to be taken in relation to the possibility of a fixed link across the English Channel. We endorsed the joint communique issued on 14 November and agreed that the Anglo-French working group, to be set up to define the criteria to be met by promoters of the various forms of fixed link, should complete its work by the end of February 1985. Promoting groups would then be given a reasonable period of time in which to submit firm proposals satisfying these criteria. The two Governments would then decide whether and how to proceed.

Space Programme

6. We discussed the Columbus project (Italy-Germany). I said we hoped to reach decisions before the end of this year, both on President Reagan's invitation to participate in the NASA space station, and on the proposals in the European Space Agency for a programme based on Columbus and the Ariane Five Launcher. I pointed out that the Columbus programme needs further



definition to take into account the interests of other
member states.

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TELEGRAM NUMBER 1316 OF 26 NOVEMBER

ANGLO/FRENCH SUMMIT: 29/30 NOVEMBER

SUMMARY

1. MITTERRAND'S POPULARITY AT RECORD LOW. AFTER MISHANDLING OF WITHDRAWAL FROM CHAD, HE IS UNDER SERIOUS ATTACK OVER FOREIGN AS WELL AS INTERNAL POLICY. SUMMIT OFFERS OPPORTUNITY TO UNDERLINE PUBLICLY THE WIDE RANGE OF EXISTING ANGLO/FRENCH COLLABORATION, PUT ACROSS OUR PRAGMATIC APPROACH TO TALK OF EUROPEAN UNION, AND PRESS FOR FULLER COOPERATION TO COMBAT TERRORISM. BOTH SIDES WISH TO EXPLORE IDEAS FOR CLOSER DEFENCE COLLABORATION. MITTERRAND MAY SEEK STATEMENT OF POLITICAL APPROVAL IN PRINCIPLE FOR A CHANNEL FIXED LINK.

DETAIL

INTERNAL BACKGROUND

2. AT THE HALF WAY POINT IN HIS PRESIDENCY, THE OPINION POLLS GIVE MITTERRAND THE LOWEST APPROVAL RATING OF ANY PRESIDENT OF THE FIFTH REPUBLIC. THE OPPOSITION SCENTS VICTORY IN THE 1986 LEGISLATIVE ELECTIONS AND IS IN FULL CRY OVER THE GOVERNMENT'S HANDLING OF THE ECONOMY, LAW AND ORDER, IMMIGRATION AND NOW FOREIGN POLICY. A SERIES OF CONTROVERSIAL DECISIONS (EG TO SEND CHEYSSON TO THE CELEBRATIONS IN ALGERIA OF THE THIRTIETH ANNIVERSARY OF THE START OF THE ALGERIAN WAR, AND TO SITE THE SYNCHROTRON FACILITY IN GRENOBLE INSTEAD OF STRASBOURG AS ORIGINALLY PLANNED) HAVE RAISED THE POLITICAL TEMPERATURE. MITTERRAND'S ADMISSION THAT LIBYAN TROOPS REMAIN IN CHAD AFTER THE FRENCH HAD ANNOUNCED COMPLETE EVACUATION AND AFTER HIS OWN MEETING WITH QADHAFI IN CRETE, HAD LED TO DAMAGING CRITICISM FROM THE LEFT AS WELL AS RIGHT-WING PRESS. NOW, HE ALSO HAS TROUBLE IN NEW CALEDONIA AFTER THE ELECTIONS ON 18 NOVEMBER PRECIPITATED VIOLENCE BETWEEN FRENCH RESIDENTS AND MELANESIANS. MITTERRAND'S CREDIBILITY IN FOREIGN POLICY, HITHERTO HIS STRONG SUIT, IS THUS FOR THE FIRST TIME UNDER THREAT.

3. WITH ONLY SIXTEEN MONTHS UNTIL THE LEGISLATIVE ELECTIONS, VIRTUALLY NO ONE IN THE SOCIALIST PARTY SEEMS TO THINK THAT THE LEFT WILL WIN. MORALE IS LOW. FABIUS HAS RECENTLY TAKEN THE POLITICAL OFFENSIVE TO RALLY HIS TROOPS, BUT LACKS AMMUNITION. MY GUESS IS THAT MITTERRAND HIMSELF FEELS SOMEWHAT SHAKEN BY THE LATEST SPATE OF MISHAPS, THOUGH HE MAY REMAIN CONFIDENT OF HIS ABILITY TO OUTWIT THE OPPOSITON AND BOUNCE BACK OVER THE NEXT 12 MONTHS.

ECONOMY

4. 1984 BROUGHT SOME IMPROVEMENT ON INFLATION, INVESTMENT AND THE EXTERNAL ACCOUNTS, BUT LESS THAN FORECAST. MODERATION OF WAGE

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/ SETTLEMENTS

SETTLEMENTS HAS BEEN THE MAJOR SUCCESS. THE CONTINUED RISE OF UNEMPLOYMENT (AND AN ACTUAL DECLINE IN EMPLOYMENT) IS THE MAJOR BLACK SPOT. 1985 IS LIKELY TO BRING FURTHER MODEST IMPROVEMENT ON MOST FRONTS EXCEPT EMPLOYMENT. THERE IS INCREASING PUBLIC CONCERN OVR^E THE PROSPECTS FOR 1986-88 WHEN MAJOR DEBT REPAYMENTS ARE DUE BUT THE CURRENT ACCOUNT MAY STILL NOT PRODUCE AN ADEQUATE SURPLUS. THE ABSENCE OF A STATUTORY WELFARE SAFETY NET TO CATCH THE UNEMPLOYED WHO RUN OUT OF ENTITLEMENT TO UNEMPLOYMENT BENEFIT COULD BRING TROUBLE.

CHANNEL FIXED LINK

5. MITTERRAND WILL WISH TO PRESENT THIS SUMMIT AS A FRIENDLY ENCOUNTER. IN CONTRAST TO MOST OF HIS PREDECESSORS AND HIS LIKELY SUCCESSORS HE REGARDS GOOD ANGLO-FRENCH RELATIONS AS A PLUS IN HIS POLITICAL BALANCE-SHEET. THE MAIN BILATERAL ISSUE ON WHICH HIS ADVISERS SEEM TO HAVE BEEN CONCENTRATING IS THE CHANNEL FIXED LINK. BOTH MITTERRAND FABIUS ARE PERSONALLY KEEN ON THE PROJECT. MR RIDLEY'S MEETINGS IN PARIS ON 14 NOVEMBER LED TO A JOINT COMMUNIQUE EXPRESSING THE TWO GOVERNMENTS' WILLINGNESS TO FACILITATE A CFL AND SETTING UP A WORKING GROUP OF OFFICIALS (MY TELNO 1273). THE FRENCH MAY PRESS FOR THE AGREEMENT TO BE REAFFIRMED DURING THE SUMMIT SO AS TO PRESENT PROGRESS ON THE CFL AS A POSITIVE OUTCOME. THEY MAY ALSO RAISE AGAIN THE POSSIBLE USE OF COMMUNITY FUNDS.

FOREIGN POLICY

6. MITTERRAND WIL WANT TO DISCUSS THE IMPLICATIONS OF THE RESUMPTION OF THE US/SOVIET DIALOGUE. THE FRENCH TRADITIONALLY FEAR THE TWO SUPERPOWERS DOING DEALS OVER THEIR HEADS. AT THE SAME TIME, MITTERRAND MUST WELCOME THE PROSPECTS FOR SLOWING DOWN THE ARMS RACE IN SPACE, AND SEE AN OPENING TO DEVELOP HIS OWN LINKS WITH THE EAST. (HE VISITS ROMAINA AND BULGARIA NEXT YEAR AND YESTERDAY ANNOUNCED THAT CHERNENKO WOULD PROBABLY VISIT FRANCE NEXT YEAR TO RETURN HIS OWN VISIT TO MOSCOW LAST JUNE).

7. MITTERRAND WILL JUST BE BACK FROM DAMASCUS. HE HAS ALREADY SEEN MUBARAK, KING HUSSEIN AND CHADLI IN RECENT MONTHS AND NEXT MONTH WELCOMES PERES HERE. APART FROM CULTIVATING THE NEAR EAST LEADERS TO SUSTAIN THE VIEW THAT FRANCE HAS SOME SPECIAL ROLE IN THE AREA, HIS CURRENT POLICY ON THE MIDDLE EAST IS A PRUDENT WAIT-AND-SEE GAME.

COMMUNITY ISSUES

8. MITTERRAND MAY DISPLAY SOME DISAPPOINTMENT THAT THE DOOGE COMMITTEE IS NOT PROGRESSING FASTER IN THE DIRECTION HE PROFESSES TO FAVOUR AND SUGGEST THAT A MAJORITY SUPPORT FRANCO-GERMAN IDEAS ON EUROPEAN UNION. ON ENLARGEMENT, THE FRENCH CONTINUE TO BE PREOCCUPIED WITH WINE, FRUIT AND VEGETABLES AND FISHERIES. MITTERRAND WILL BE LOOKING TO THE UK FOR THE STRONGEST POSSIBLE SUPPORT ON REFORMING THE INTERNAL WINE REGIME BEFORE OPENING NEGOTIATIONS WITH SPAIN ON THIS DOSSIER.

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/ BILATERAL

BILATERAL DEFENCE CONTACTS

9. IN PREPARING FOR THE SUMMIT, FRENCH OFFICIALS HAVE MADE MOST OF THE RUNNING IN SUGGESTING THAT OUR DEFENCE CONTACTS COULD BE IMPROVED (EG BY GIVING POLITICAL DIRECTORS A COORDINATING ROLE AS WITH THE GERMANS) AND GIVEN A HIGHER PROFILE. THIS MAY COME UP IN THE FOREIGN AND DEFENCE MINISTERS' TALKS, THOUGH THE FRENCH MAY BE RELUCTANT TO ADVANCE FAR WITHOUT CLEAR ENCOURAGEMENT FROM OUR SIDE. MITTERRAND WOULD PROBABLY LIKE TO BE ABLE TO POINT TO SOME PROGRESS TO SATISFY THE FRENCH PUBLIC'S HANKERINGS AFTER GREATER EUROPEAN DEFENCE COOPERATION, THOUGH NOT AT THE EXPENSE OF THE SPECIAL FRANCO-GERMAN IMAGE. AGREEMENT ON THICKENING UP DEFENCE CONTACTS COULD CONTRIBUTE MORE THAN ANYTHING ELSE (EXCEPT THE CHANNEL FIXED LINK) TO MAKE THE SUMMIT A PUBLIC SUCCESS IN FRENCH EYES.

OTHER BILATERAL ISSUES

10. BIANCO (ELYSEE) HAS ENDORSED THE PROPOSAL THAT A LIST OF AREAS OF BILATERAL TECHNOLOGICAL COOPERATION SHOULD BE GIVEN TO THE PRESS (MY TELNO 1294). SUCH A LIST HAS NOW BEEN AGREED BY THE BILATERAL COORDINATORS. IT INCLUDES SEVERAL SUBJECTS WHERE MEASURABLE PROGRESS HAS BEEN MADE IN WORKING TOGETHER. NONETHELESS, IT REMAINS DIFFICULT TO DEVELOP GENUINE COLLABORATIVE PROJECTS. AT THE POLITICAL LEVEL (MITTERRAND/FABIUS), THE FRENCH APPEAR TO WANT CLOSER TECHNOLOGICAL LINKS WITH THE UK. HOWEVER, FURTHER DOWN, AND PARTICULARLY AMONGST THE FRENCH INDUSTRIALISTS, THERE IS STILL A VERY STRONG TENDENCY TO LOOK UPON COLLABORATIVE PROJECTS MAINLY AS AN OPPORTUNITY TO GAIN ACCESS TO BRITISH TECHNOLOGY OR A COMMERCIAL EDGE OVER THEIR BRITISH PARTNERS. MANY OF THEM PRE-SUPPOSE THE SAME APPROACH FROM THE BRITISH AND DO NOT EXPECT TO BE PARTICULARLY WELCOME IN THE UK. RECENT FINANCIAL CONSTRAINTS HAVE FORCED SOME FRENCH COMPANIES TO LOOK MORE SERIOUSLY AT COLLABORATION, BUT OLD HABITS DIE HARD.

11. IN THE FIGHT AGAINST TERRORISM, OUR COOPERATION IS EXCELLENT AT WORKING LEVEL. BUT AT POLITICAL LEVEL, THE FRENCH FIGHT SHY OF MULTILATERAL COMMITMENTS, AND HAVE TRADITIONALLY BEEN WILLING TO GIVE ASYLUM TO FOREIGN TERRORISTS ON THEIR SOIL PROVIDED NO CRIME WAS COMMITTED IN FRANCE. MITTERRAND'S DECISION TWO MONTHS AGO TO APPROVE THE EXTRADITION OF THREE BASQUES TO SPAIN BETOKENS A SLIGHT CHANGE OF ATTITUDE. I BELIEVE WE COULD NOW SEEK TO EXTEND THIS TO THE PROBLEM OF IRISH TERRORISM, BY PROMOTING BILATERAL TALKS ON ASYLUM AND EXTRADITION WITH THE AIM OF DENYING COVER TO THOSE WHO HAVE COMMITTED TERRORIST ACTS IN EACH OTHER'S COUNTRY.

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