

PRIME MINISTER

for any  
file

Bilateral Press Conference

Just to update my minute of last evening (attached).

Six newspapers - Express, Mail, Telegraph, Guardian, Times and FT - cover the Summit this morning.

The Express, Mail and Guardian major on the Chunnel and the Mail say you and Mitterrand agree not to put any political obstacle in the way of a Channel link.

The Telegraph speaks of Entente at No. 10 and extremely good discussions and the Times of your being in accord.

The FT says reform of the EC Budget was one of the main topics in your tete-a-tete.

I attach cuttings from Mail, Guardian, Times and FT which are the most useful.

On this basis the media are likely to be most interested in:

- EC Budget/CAP reform;
- Bilateral co-operation, with emphasis on Channel Tunnel;
- Atmospherics - how you get on, bearing in mind your different philosophies.

It is possible that you will be asked questions on the gas gathering pipeline. You could reasonably say that Mr. Howell is making a statement today.

You may be interested to know that Bernardette McAliskey, having been booted out of Spain, turned up in Paris last night at a workers' meeting organised by the Trots. She called on French workers to boycott British goods until Maze prisoners' demands are met.

/By way of postscript .....

By way of postscript, David Watt has also contributed a feature in the Times in which he says:

- new French regime poses all sorts of practical as well as ideological problems for your Government, but these are nothing to agonies it will cause British Left.
- pure lines of British Left wing categories have been hideously disfigured by aberrations of French foreign policy.
- most contemporary tenets of British Left wing security policy rejected by man who bears strong resemblance to Bevin.
- whatever similarities there may be to Benn's economic policies, Mitterrand differs in attitude to outside world and in particular EC.

He adds:

It is also, however, a matter of imagination. The Mitterrand European policy is not yet fully articulated, but as far as one can tell from partial previews, the new "European initiative" which the French have in mind includes two key elements.

● The commitment to more cooperative economic and industrial policies with the Community. The French will support greater European protectionism externally and give more direct support internally to "crisis sectors" of European industry such as textiles and cars and for new technologies. The convinced free-trader will find this prescription as objectionable as those of the British Left, but the French, unlike their British counterparts, have at least come to the realistic conclusion that a single national economy is too small to support high-technology industry or embark entirely on its own on risky experiments in reflation.

● An attempt to create a European "social zone". This will probably include proposals for coordinated moves on work-sharing, higher education, youth exchanges and a

shorter working week. It is possible for normal mortals to be reasonably cynical about this package, but for the British Left, who claim to believe in it, the fact that the French are in favour of Community-wide initiatives is, or ought to be, a problem.



B. INGHAM

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