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PRIME MINISTER

Anglo-French Relations

1. My meeting with the new French Foreign Minister last week was encouraging. M. Cheysson told me that he does not consider the Franco-German relationship to be exclusive: he repeated the remark he has made publicly that there is no Paris-Bonn axis. He implied that he wanted a break with the antagonism that has often characterised Anglo-French relations. He said that France and Britain had the same points of view on many questions: both were nuclear powers and permanent members of the Security Council and both had a global point of view. In much of this he was echoing (unconsciously, I am sure) the line which you took in Paris and Bordeaux last September, to which at the time there was so little response.

2. This conversation has reinforced my conviction that the change in Paris provides an opportunity to try to achieve a definite improvement in Anglo-French relations. Despite the uncertainties of the new situation, I do not believe that France's general position in the world and her importance to us are likely to change significantly in the near future.

3. The election of President Mitterrand has already caused us in the FCO to take a thorough look at the nature of our relationship with France. I enclose the resulting paper, which I believe demonstrates that it would be worth making a real effort in the new situation to bring about improvements beneficial to British interests. It was with

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this in mind that, at the end of our conversations in Paris, I told M. Cheysson that we both knew that there were fields of difficulty ahead and that while we would both seek to overcome the difficulties we knew that they did reflect real clashes of interest. But I went on to say that there were also areas of practical action where we had shared interests and it was in our mutual interest to build on them. We agreed that it would be useful to discuss this further informally.

4. As a first move therefore, and to take advantage of the present climate, I am asking Michael Palliser to call in the French Ambassador next week for a preliminary discussion on Anglo-French relations. The aim will be to identify our common interests and explore, without commitment, areas of policy where we might be able to collaborate. I shall report to colleagues how this exercise goes and may in due course have suggestions for action by the UK, possibly with a view to developing a more coordinated approach to the various aspects of our relations with France.

5. Copies of this minute and the enclosure go to members of OD and the Secretaries of State for Industry, Energy and Education and Science.

(CARRINGTON)

Foreign and Commonwealth Office
5 June 1981



BRITISH POLICY TOWARDS FRANCE

Introduction

1. The election of President Mitterrand will bring more changes in domestic than in foreign policy. But the introduction of new men and new attitudes creates a chance for the UK to try to alter the quality of Anglo-French relations in a way which could benefit British interests.

2. This paper identifies some of the underlying factors that condition the Anglo-French relationship. It points to the reasons why France is important to us, and sets them against France's continuing interests and objectives. It suggests what we should try to achieve and how.

France in the world

3. President Mitterrand has inherited a country which, after a century of continuous decline, now ranks with Germany as the most powerful country of Western Europe. In the last 20 years, whole areas of her national life have been transformed, in some cases by building on old strengths, in others by a conscious departure from the patterns of the past:-

- a) the chronic political instability of the 4th Republic has been replaced by a system which so far has permitted notable stability and continuity, and now the peaceful transfer of power;
- b) industry has expanded, modernised and become competitive, fed with labour now surplus to an increasingly efficient agricultural sector, and some carefully controlled immigration;
- c) with a population of 53.3m, her GDP is now (1979) 55% greater than the UK's (pop 56m) and only 25% less than Germany's (pop 61.5m);
- d) France has embarked on a massive nuclear power programme. Even if this is not fully carried through, her dependence

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on imported energy should diminish significantly by the '90s. She also possesses a politically credible nuclear deterrent.

4. It is legitimate to doubt whether the progress of the last 20 years can be sustained. The existence of a large Communist party avid for some share of power, the heterogeneous nature of Mitterrand's own party, and the potential for conflict inherent in de Gaulle's constitution may all make for a period of greater instability and uncertainty. However, it is also possible that the change of leadership will renew France's energies and sense of purpose. And any economic and political difficulties will have to be prolonged and serious before they begin seriously to erode the position that France has built up.

5. Mitterrand's new Foreign Minister has already announced that the starting point for French foreign policy is complete continuity with the immediate past.

6. Since de Gaulle came to power in 1958 French foreign policy has been characterised by the determined pursuit of national interests, both within the Community and outside it, where necessary at the expense of friends and allies. This policy is not just a reflection of national character, a blend of vanity and selfishness. It has been deliberately designed to foster a high sense of national feeling and thus to overcome the deep divisions, social, political and economic, which have marked French society and to heal the scars left by the ignominious experiences of 1939-45. The French are also acutely aware that they have lost much of their cultural pre-eminence: the chief symbol of this, the French language, has everywhere lost ground to English. A prickly foreign policy is to some extent the result, especially in dealings with English-speaking countries.

7. But despite her insistence on independence, France has not been adrift or alone. France is active in all international organisations except those she has chosen not to belong to. French influence is felt in many continents. And, if her main anchors have been membership of the EC and her relationship with Germany, she has also shown some

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skill at retaining the confidence of the United States. Even the anomalous position of France in NATO weakens the latter more than the former.

France and the EC

8. France's determined use of the EC to serve her own national ends often seems cynical and ruthless. Yet the French see it as an expression of their commitment to Europe. France believed in the Community from the beginning, and moulded it to her own image. Everyone knows that the Community without France is inconceivable. This enables her to exploit the Community to her own advantage. French governments have been able to identify the French interest with that of the Community, thus ensuring the continuing support of the French people for the latter.

France and Germany

9. Even more fundamental to France's position, and fundamental to the Community too, has been the special relationship with Germany. The basic elements that have given it its strength and hitherto exclusive quality are:

- a) Its historical significance. All the great European wars of modern times have been in some sense wars between France and Germany. Territories like Alsace, Lorraine and the Saar have been bones of contention for centuries. Now that Europe has been partially eclipsed by the rise of powers elsewhere, continued Franco-German rivalry might condemn Europe to insignificance. Franco-German cooperation permits her to be strong.
- b) Mutual interests. France and Germany complement each other. Each is the other's major trading partner. The EC originally rested on a marriage of France's agricultural production and Germany's industrial might. Both countries emerged from the war psychologically battered: France by the occupation, Germany by her defeat and partition. With Japan, these two are the major non-English speaking Western powers. Germany and the Western defences based there allow France the luxury

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of her idiosyncratic defence policies. Close relations with France are the anchor without which Germany's internal attachment to the West could hardly be convincing. Together France and Germany have often been able to manipulate the European Community and, when they act in concert, can greatly influence the western Alliance.

- c) Good relations between leaders. The rapport between Adenauer and de Gaulle gave the relationship its initial strength. That between Pompidou and Brandt was adequate to sustain it, while that between Giscard and Schmidt greatly reinforced it. Early contact between Schmidt and Mitterrand has shown the importance both leaders attach to maintaining the tradition of intimacy, while the institutional framework of the 1963 Treaty should serve to maintain cooperation at lower levels.

10. A distinctive feature of the Franco-German relationship is that form preceded substance and has remained some way ahead of it. The two governments cooperated because they had committed themselves to do so. Neither conflicts of interest, which have been frequent, nor public prejudices, which are deeply rooted, have been seen as standing in way of the principle that each country should accord primacy to the other in its international relations. The relationship is artificial in one way but real in another.

The importance of France to Britain

11. Of all our major allies and partners, relations with France have been the hardest to handle and have to date yielded the fewest results. A worrying degree of instinctive antagonism has built up which the change of French leadership may give us a chance to dispel. It would be greatly to our advantage to do so, since:-

- a) The special relationship with Germany has a multiplier effect on French influence in a number of fields, especially in matters to do with the Community. It means that the UK and Germany cannot agree on a common line on an EC matter if France is fundamentally opposed to it.
- b) France can have a powerful and at times almost a controlling

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influence in the EC. It is difficult either to modify Community policies against France's wishes, or to launch a successful new initiative without her. In the past the EC has often tended to develop along the lines and at the speed favoured by France.

- c) France's interests in the world are often complementary to Britain's. As ex-colonial and nuclear powers, and permanent members of the Security Council, both countries enjoy broadly similar status. Policies supported by Britain and France could often hope to win the endorsement of the EC as a whole.
- d) France is Britain's fourth largest export market. In addition France and Britain share many similar interests in the development of world trade.
- e) France's scientific and technical achievements, and her good record at developing modern technological industries, make her a formidable competitor. By the same token she can also be an attractive partner for various forms of industrial and scientific collaboration.
- f) Geography speaks for itself. Our contacts with Europe, both physical and to some extent cultural, tend to be through France. Decisions important to them such as a fixed cross-Channel link, are dependent on French cooperation. Internal French matters - air traffic controllers' strikes, fishermen's harbour blockades, outbreaks of foot-and-mouth disease - affect Britain more closely than similar developments elsewhere

Britain's importance to France

12. In general, the French have in recent years become used to thinking that France has less need of Britain than Britain of France, because of

- a) France's greater economic strength;
- b) her central position in the EC and in Europe;
- c) her close relationship with Germany;

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- d) the political considerations that make an independent foreign policy desirable in domestic terms and a degree of isolation acceptable.

13. It has to be admitted that there is much force in this. Nevertheless, Britain is also France's fourth largest export market, and successful industrial collaboration can benefit France as much as Britain. Moreover France may be entering a period of greater economic difficulty and problems. It may therefore be that the balance is changing. There are also other specific ways in which Britain is of considerable importance to France:-

- a) Britain has influence with the US, with France's European partners and in the world. As the French recognise, our common allies prefer it when France and Britain work together; they find Franco-British antagonism wearing and wasteful and dislike having to take sides between us. Improved relations between us would widely be welcomed, particularly in Germany.
- b) Good relations with Britain would make France less dependent on the relationship with historically less reliable Germany.
- c) Britain is a sufficiently weighty component of the EC for it to be unsatisfactory to make progress without her. The Budget negotiations of 1980 have made the French realise that we can be an awkward and determined partner against whom they cannot count on winning. If some French people draw the conclusion that the EC would be better off if Britain withdrew, the new government are likely to calculate that this is not going to happen, and would not, objectively, be in France's interest. If the French respect us, they will do business with us; we are not looking for affection but collaboration.
- d) In the military field, Britain's status and role within NATO give her an influence on a range of issues where French interests are touched significantly if indirectly, eg arms control and nuclear policy.

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- e) In foreign policy British support is useful and can add considerably to the impact and the respectability of French ideas, both in more purely political and in international commercial and economic matters.
- f) France has few indigenous energy resources and is vulnerable to interruptions of supply. She looks with envy at our own abundance.
- g) Many French people see British political institutions as stable and their own as brittle.

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Britain's objectives

14. Britain's importance in the eyes of France will vary according to Britain's position in the world. The standing of the UK in Bonn and Washington and her prominence in East/West relations will be particularly relevant. But efforts to improve the strictly bilateral relationship are also important and can bring significant dividends. Even if, in a formal sense, the Franco-German relationship continues to take precedence in both countries, there are many areas where Britain's dealings with France could become at least as significant. Anglo-German relations would also benefit from an easier and more productive relationship between Britain and France. The new French Foreign Minister has specifically said that he does not consider the relationship with Germany to be exclusive and that he would welcome early bilateral talks with Britain on a number of subjects. The sooner we can come forward with concrete suggestions, the more favourable the prospects. Advances from Britain will be more welcome in the early days while the new leadership still feels uncertain; if we wait for Mitterrand's position to become clearer, old habits may have time to reassert themselves.

15. It will not be easy to build the necessary businesslike relationship. While the two countries have many common interests and in many respects a common view of the world, the element of rivalry runs deep and cannot be wished away. We shall also need to watch whether, if Communist Ministers are included after the legislative elections, this needs to modify the fields in which we can work with France. But these are not arguments for making no effort.

16. Our objectives must be to make progress on three main fronts:

(a) The EC. It is never enough to berate the French

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or try to convince our partners that France is less communautaire than we are. We can hope to influence French policy by developing our common interests with Germany, eg on budget restructuring and CAP reform: but the Germans will not be used as a crude lever on the French.

It is necessary also to make an effort to identify those areas in the Community field where French interests can be made to coincide with ours and to build on these. France and Britain each have an exceptionally strong sense of national identity. As M Cheysson has said, we should be able to agree about the development of Europe. We ought to find it easy to understand each other. The UK should be readier to bargain with France and offer support where her interests are involved and ours are not, if she is prepared to reciprocate.

On specific Community issues we need as a matter of course to ask ourselves certain questions. What is the French position? Can it be made compatible with our interests? If not, is there the basis of a trade-off? On questions of the general evolution of the Community we need to think and plan with France as much as possible. Where British and French interests diverge irremediably, the UK should aim wherever possible to maintain the initiative. This means being always prepared to put forward concrete, constructive and fully thought out proposals, requiring the French to respond and react. The outcome of the Community Budget negotiations in 1980 showed that, if kept on the defensive in this way, the French decision-making machinery can malfunction quite badly. Putting them in this position too often will not endear us to the French but will lead them in time to respect us (it will also impress the Germans).

The most pressing need in the months ahead will be to achieve a solution on fish and engage the French

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in detailed discussion of the restructuring of the Community's finances and reforming of the CAP. But it will be vital to show that we are not obsessed by restructuring to the exclusion of all else. We shall therefore need to discuss wider issues with the French, such as the implications of the Genscher initiative on European union, the problems likely to arise from enlargement, and the direction that Europe's social and industrial policies should take. If we can work more with the French behind the scenes, we may need to confront them less often, and be able to do so more effectively, on the Community stage.

- (b) Foreign policy and defence. French diplomacy, although often perverse and always self-interested, has been fertile in ideas. But France on her own is often not strong enough to exert sufficient influence or steal all the thunder. In numerous areas (eg Afghanistan, Libya, Arab/Israel, the North/South dialogue, relations with the NICs) closer Franco-British cooperation would make good sense. And our ideas for the development of POCO will stand more chance of success if the French can be brought to see POCO as a means for the extension of Franco-British ideas and influence.

In the military field, Britain and France are the only European countries with a capability outside the NATO area, have joint responsibilities over Berlin and are the two European nuclear powers. Together we can make a special contribution to Western security in Europe and in key areas of the developing world. It is only reasonable for us to coordinate as far as possible. The British interests are:

- i) to promote collaboration on specific projects;
- ii) to give more substance to our dialogue on defence issues. In the longer run this might encourage the French to play a more positive role in NATO.

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In the shorter term we might well achieve greater harmony in politico-military policies, eg arms control and operations outside the NATO area.

iii) To explore the long term possibilities of closer collaboration in the military nuclear field, although quick and quantifiable returns should not be expected here.

(c) Practical cooperation in other areas. France's level of industrial development, her geographical position as our nearest continental neighbour and her cultural importance all provide opportunities where we both can gain from working together. While initiatives that are not followed through, and projects that are cancelled, can badly harm our relations, sustained effort of a modest kind can bring disproportionate goodwill. The following are some indicative examples of the opportunities:

- i) The French desire to secure increased supplies of, or access to, North Sea oil and gas could provide leverage for concessions in other fields.
- ii) The French have a great deal to offer in the field of civil nuclear technology, though possibilities may be limited at present.
- iii) Further opportunities may occur in aerospace, satellite projects, information technology and joint research and development programmes designed to avert Japanese/US hegemony in advance technology. (In many cases it may of course be appropriate to include partners other than the French.)
- iv) We both share an interest in improved cross-Channel links. The French may soon be ready to reconsider a fixed link provided we can convince them that this time we will not change our mind.
- v) Increased information exchanges both between governments and involving representatives of the

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media could eventually lead to more sympathetic reporting, more in line with Franco-German coverage of each other's affairs.

- vi) There is probably scope for more official encouragement of better language teaching, educational exchanges, town-twinning, visits of young people etc. The direct benefits of such exchanges are hard to quantify, but to work for them would serve to demonstrate the importance we attach to our contacts with France and could improve mutual understanding, especially among the young.
- vii) Other areas where cooperation could prove profitable include the environment, bilateral trade and questions of inward and outward investment.

How to pursue these objectives

17. The Franco-German relationship has gained much from the elaborate programme of ministerial, official and other exchanges provided for by the 1963 Treaty. To work for similar arrangements between Britain and France might on the face of it appear to be the surest way of achieving a more productive relationship.

18. In practice, however, even if the French were prepared to give Britain the appearance of formal parity with the FRG, we ourselves might not wish to adopt these practices. Form matters less to us than substance. The important thing is to develop to the maximum our own opportunities for cooperation with France. Our requirements for that are as follows:

- (a) Arrangements for top-level Franco-British consultation already exist. The annual summits provide the necessary contact. The important thing is to ensure that the right message is transmitted from the summit to the toilers on the lower slopes, and to gear the two together so that each summit is prepared, followed up and linked to the next. In

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- view of the change of President, a new document might be proposed redefining the objectives of Franco-British collaboration and the framework within which it is to be pursued; alternatively, or in addition, opportunities should be seized to reaffirm those set out in the 1976 declaration.
- (b) There is, however, a case for more regular consultation between British Ministers and senior officials and their French opposite numbers. The meetings that already take place in fields like industrial collaboration and defence need to be made more effective and purposeful.
- (c) If we accept that France can be a key to a more effective British role in Europe and more widely, the objective needs to be pursued over time, with single-mindedness, consistency and sense of purpose. Relations with France need to become a priority on which resources are concentrated in a coherent manner.

Conclusions

19. (a) There is a risk that Atlantic and European relationships may develop in such a way as to push Britain towards the sidelines, with diminishing influence over our major allies and over decisions affecting our vital interests.
- (b) A closer and more productive relationship with France could make a disproportionate contribution to halting that process, because there is so much room for improvement and so much scope for France and Britain to work together profitably. The election of President Mitterrand provides an opportunity for a fresh start. But much of the effort, at least initially, will have to come from us: France matters more to Britain than vice-versa, and will have other preoccupations. There is no time, and we have no need, to wait for our own economic recovery.

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- (c) We should seek progress on three fronts:
- i) The EC. Cooperation with France could contribute to an EC in which Britain finally feels at home.
 - ii) Foreign and defence policy. Consultation and joint action could make for a stronger Alliance and a world in which Britain has more influence.
 - iii) Bilateral collaboration in commercial, technical, cultural and many other fields.
- (d) For the time being we need not try to emulate the Franco-German relationship in all its elaborate arrangements. But we should achieve more intensive and purposeful Anglo-French consultation in more fields. A new summit declaration, or a reaffirmation of the 1976 one, could be needed. But the main requirement is for clear objectives and a steady course maintained over time. Only thus will the necessary resources be marshalled and the necessary momentum maintained.

Planning Staff

May 1981