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cc: SO
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10 DOWNING STREET

From the Private Secretary

8 February 1982

Dear Sir,

Conference of the Franco-British Council

Thank you for your letter of 4 February, a copy of which I am sending with this letter to Muir Russell in the Scottish Office.

The Prime Minister has expressed some preliminary views on the arrangements which might be made for M. Mauroy in Scotland. I lunched today with Sir Philip de Zulueta, Chairman of the British Section of the Franco-British Council. The purpose of this letter is to pass on the resulting information to all those who need to have it.

The Prime Minister is of course keen that the best possible arrangements should be made for M. Mauroy in Scotland. The Secretary of State for Scotland recently suggested to the Prime Minister that M. Mauroy might be accommodated at Holyrood. Mrs. Thatcher thinks that would be excellent if it can be arranged. Sir Philip de Zulueta thought there could be difficulties since he believed that the General Assembly of the Church of Scotland would be using Holyrood at the time. I do not know whether this is so or whether it would necessarily be an obstacle.

The Prime Minister's present plan is to arrive in Edinburgh on the morning of Saturday 15 May and to keep lunch and the afternoon free to work on her speech for the dinner. After attending the dinner, she will be very glad to accept the Secretary of State for Scotland's earlier offer of hospitality for the night of 15 May, though if the Scottish Office wished to advise that she also ought to stay at Holyrood this could no doubt be considered. Mrs. Thatcher then plans to leave ~~for~~ Edinburgh on the morning of 16 May, perhaps after attending church, (though if she decides to go to church, she would not want advance publicity to be given to this). If the Secretary of State for Scotland wished to advise that the Prime Minister should attend part of the General Assembly of the Church of Scotland it would be helpful to know that now.

A number of points arose from my talk with Sir Philip de Zulueta. I pass them on though they may already be known to you.

/ a)

a) He is assuming that the Franco-British Council will act as host during M. Mauroy's stay in Edinburgh. Thus he is expecting to make the detailed arrangements, though I stressed that the closest consultations with the Scottish Office and perhaps the Foreign and Commonwealth Office would be required.

b) He asked whether the Prime Minister would meet M. Mauroy when the latter arrives at the airport. As you know, this is not the Prime Minister's practice when visitors come to London but I should be grateful for advice. If the Prime Minister does not meet him, would it be the intention of the Secretary of State for Scotland to do so?

c) On the assumption that Mrs. Thatcher does not go to the airport, Sir Philip de Zulueta thought it desirable that the two Prime Ministers should meet before the reception/dinner in the evening. I doubt whether the Prime Minister will want to have a long meeting with M. Mauroy in Edinburgh since she is holding talks with him and probably giving him a meal in London on 17 May. But it might indeed be rather untidy if they met for the first time at the reception/dinner. It may be worth considering, therefore, whether they should meet briefly and travel together to this event.

d) Sir Philip de Zulueta has it in mind that both Prime Ministers should spend some fifteen minutes at the reception which precedes the dinner, doing a round of the guests.

e) Sir Philip de Zulueta suggests that the two Prime Ministers sit together at the dinner flanked by himself and Pontillon. The Council would provide an interpreter to sit behind the two Prime Ministers. There would be no interpretation of the two speeches, though an effort would be made to distribute texts in advance. Sir Philip had no notion about Mauroy's wishes for the Sunday though your own letter suggests that he wishes to spend the day relaxing. If this "relaxation" includes any public engagements, there may, I suppose, be a question of an escort from the Government.

As for M. Mauroy's visit to London on 17 May, your letter under reference proposes that the Prime Minister should send him a letter with the objective of stimulating a reply to her earlier invitation that he should dine at 10 Downing Street. The Prime Minister has signed the enclosed letter and I should be grateful if you would despatch it.

I should be most grateful if Muir Russell, to whom I am copying this letter, could provide advice on the various points relating to M. Mauroy's visit to Scotland so that I may put them to the Prime Minister for her consideration.

A. J. COLES

Francis Richards, Esq.,
Foreign and Commonwealth Office

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10 DOWNING STREET

From the Private Secretary

9 February 1982

PERSONAL

Franco-British Council

Sometime ago Sir Michael Palliser suggested that, during a lunch which I was due to have with Philip de Zulueta, I should raise the question of the future financial basis of the work of the Franco-British Council and float the idea of a private firm taking on the expenses of Mr. James Hadley.

The lunch was postponed but took place yesterday. I enclose a copy of a letter which I have sent to Francis Richards since the Office's brief also asked me to raise in general terms the future financing of the Council. But I thought that the PUS would like to know that I took the conversation a little further than the enclosed letter implies. Inevitably, after de Zulueta had responded positively to the idea of help from private industry, there was some discussion of names. He wondered whether Hector Laing would be a possible source of money. I floated the idea of Charles Forte. I told de Zulueta that I thought it possible that the Prime Minister might be willing to have a word with a prominent businessman at the time of the Edinburgh Conference but that I had equally to make it plain to him that I had not consulted her and it was entirely possible that she would not want to have anything to do with the idea. The trouble with names of the kind we had mentioned was that the Prime Minister was often being asked to approach them for one reason or another. De Zulueta entirely understood all this. We agreed to think about it further and compare notes again later.

He told me that he would be calling on Michael Palliser later this month. The above background may therefore be useful.

AJC

R.A. Burns, Esq.,
Foreign and Commonwealth Office.

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W. A. J. C.

BIC

10 DOWNING STREET

From the Private Secretary

8 February 1982

Roderic Lyne wrote to me on 14 January, kindly enclosing some background papers on the Franco-British Council before a lunch which I was due to have with Sir Philip de Zulueta. That lunch had to be postponed but was rearranged for today.

I have written to you separately about the points which arose in relation to the Conference of the Franco-British Council in Edinburgh next May.

I should also record that we had some discussion about the future of the Franco-British Council. Sir Philip de Zulueta's main point was that the Council needed adequate financial support from the Government if its future was to be assured. He tended to take the line that the Council had been established in response to a Governmental request and that it was for the Government to find the money to maintain its activities on an appropriate footing. In accordance with Roderic Lyne's letter under reference I explained the financial constraints and suggested that in the present climate there was no point in flogging a dead horse. Following a suggestion made to me earlier by Sir Michael Palliser, I asked whether the financial constraints would not be greatly eased if the Council were able to persuade someone in private industry to take on the salary of Mr. James Hadley or give the latter some financial freedom, for example by making him a non-executive Director. Sir Philip de Zulueta responded positively to this idea though I think he rather hopes that we rather than he will identify the source of finance. I suggested that we should both think about this further with the aim of finding a solution by the time of the Edinburgh Conference. He said he would need to be able to assure his French opposite numbers then that the Council had a secure financial basis for the next two or three years.

He also said that he had considered the possibility of a general appeal to industry for funds for the Council but had concluded that in present economic circumstances this was not worth launching. He thought he might have more success in attracting private funds to support a colloquy which the Council are trying to arrange, in I think the autumn, on nationalised industries.

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Finally, he gave me the impression that he thought President Mitterrand's enthusiasm for the Council had declined recently though he considered that M. Mauroy was still well disposed towards it.

A. J. COLES

Francis Richards, Esq.,
Foreign and Commonwealth Office

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8 February 1982

Thank you very much for a most agreeable lunch today. I am following up the various points discussed and I expect that the Foreign and Commonwealth Office and the Scottish Office will be in touch with you in due course.

A J COLES

Sir Philip de Zulueta

PJ