

France

Franco British Council **BRITISH SECTION**

2 Clarendon Close London W2 2NS Telephone 01-262 8959

8 June 1982

*Mr Cotes to see **
ADL 14/6
M9/6

Ian Kydd Esq.,
10 Downing Street,
LONDON SW1.

See Mr Kydd.

I am very grateful to you for your letter of the 4th June enclosing the Prime Minister's speech and also for your kind remarks which are always encouraging.

I too thought the dinner at Hopetoun was superb and much of it was due to the generosity of Lord Forte who, although he would not wish me to publicise it unnecessarily, did allow his catering company, Ring and Brymer to undertake this dinner in exceptionally difficult circumstances at a price well below cost.

Knowing John Ardagh very well, I have been rather amused at the little "hoo hah" over the intended use of the apparently unspeakable word. I must say personally I suppose it is very difficult for Prime Ministers to mention such words but I think it was a little tough luck on the author. However as John is a rather tough character himself I doubt he will lose any sleep over it.

As regards the Prime Minister's warm introductory remarks, I will ask the French Section before they send out her text, to do so with a letter incorporating her warmth.

* Finally the Prime Minister may like to know that my wife received an ecstatic letter from one of the wives present, which also contained the message that she and her husband and friends were wholly behind the Prime Minister in the Falklands dispute.

Yours very sincerely

James Hadley
JAMES HADLEY

* *France. I meant to say.*

SPEECH BY THE PRIME MINISTER TO THE
FRANCO-BRITISH COUNCIL, EDINBURGH, 15 MAY

INTRODUCTION

I am delighted to be with you this evening. I am particularly glad to welcome the Prime Minister of France, Monsieur Mauroy, and his distinguished colleagues from the French Government.

Prime Minister, this is your first official visit to Britain. Indeed, you are the first French Prime Minister to visit us since Monsieur Pompidou in 1966. That is far too long. We meet our French colleagues frequently on Community business and at the growing list of international conferences. But everyone here, with their special concern for our bilateral relations, will agree ~~with me~~ that we need to meet more frequently - to discuss the particular problems and areas of co-operation where France and Britain have common interests and aims. You and I, Prime

/ Minister,

had a most useful discussion of that kind earlier this
Minister, ~~will have the opportunity to do that in~~
~~London on Monday~~ ^{evening} and I am delighted that President
~~Mitterrand will be visiting us on that day as well.~~ ^{you will be joining}
~~President Mitterrand and myself~~ ^{President Mitterrand and myself} ~~to~~ ^{be} in London on ~~Monday~~ ^{Monday} for a further
~~round of talks.~~ ^{round of talks.}

Perhaps it was the prospect of Scotland rather than
England which persuaded you to break the habit of
16 years. Scotland has enjoyed close links with
France for many centuries. But I am bound to say
that for several of them England - as the common
enemy - "enjoyed" those links rather less. From
the twelfth century, through the 'Auld Alliance'
during the Hundred Years War to Mary Stuart and her
French husband, Francis II, ^{the ties between France and Scotland} ~~these links~~ were tangible
and powerful. Their influence has persisted:

- in the shape of two similar legal systems;
- in a certain cultural connexion; the

French Romantic movement owed a good deal
to the novelist, Sir Walter Scott;

- even in sport, where the French left their
mark on that most Scottish of games, golf:

/ a "caddie"

a "caddie" who carries a golfer's clubs
comes from the French word "cadet";

- and food? Well, hardly. Of the Scottish
national dish let us say that, like French
cuisine, it is inimitable and unexportable.

FRANCO-BRITISH COUNCIL

I look back with pleasure to the first meeting of
the Franco-British Council, in the great city of
Bordeaux 18 months ago. With this, the second
conference of its kind, we are beginning to establish
a tradition. It is a valuable one. Those who
manage Franco-British relations, those who trade between
Britain and France, those who help to mould opinions
in both countries, ^{be in close touch} ~~should meet~~ regularly. I
congratulate the officers of the Council on providing the
occasion. ~~I urge them to expand their activities,~~
always with an eye on practical results. And if
they need the help of our governments I hope they
will let me, and you, Prime Minister, know.

FRANCO - BRITISH RELATIONS

Mr. Chairman, the relationship between France and Britain has never been dull and is rarely static. At the time of your first address we looked back on the rather turbulent year of 1950. ~~It had begun with the Soviet invasion of Afghanistan~~ ^{It} ~~that year~~ ^{brings} the Soviet invasion of Afghanistan, rightly seen as a ~~specific~~ ^{an} important challenge to the existing world order. In Europe, the Community was engaged in difficult internal debate. The world - and Europe - were changing. In the process, British and French interests did not always coincide.

In September, 1961 I had my first summit meeting with President Mitterand. All the newspapers said it was a success. They were right. We talked about a remarkable range of subjects and found ourselves in agreement on most of them ~~the~~ but why?

- because I and Francois Mitterand and I share the same political philosophy? I hardly think so.
- because of common economic policies? No again - though we both have a certain attraction for radical solutions.

The answer lies in the ^{fact that} ~~response~~ ^{both} countries ~~felt it right to make~~ ^{are increasingly responding} ~~to a changing world, first in economic~~ ^{to similar external challenges.}

ECONOMIC AFFAIRS

France and Britain are both affected by the changing patterns of international trade. The challenge from the newly industrialised countries has faced us with similar domestic problems - and ~~we are responding~~ our responses have ^{led} ~~been~~ ^{much} in common.

As Jacques ~~Servan~~ ^{Servan} describes so graphically described in his recent book, *The World Challenge*, not only are these countries successfully competing in the traditional industries - steel, shipbuilding, motor vehicles and so on - but some of them are now ~~skipping~~ ^{skipping} an industrial generation and competing in the new high technology industries ~~them~~ and in information technology.

We can best meet this competition, first, by exploiting the new technology ourselves, then by ensuring that our high technology industries ~~exploit~~ ^{take} every opportunity to export to the rest of the world the skills and the products developed at home. Our two foremost ~~the~~ in both Britain and France, government and private industry alike are giving priority to developing and harnessing the new technology. In France, public consensus was raised by the famous ~~Azoua~~ ^{Nora} / Ninc report which led to a range of information technology policies and programmes. In Britain, government and industry joined to designate this year Information Technology Year.

Our two countries have strength and skill which complement each other :-
- we are cooperating with other European countries in the

the Euronet "diane" information service, a low-cost network linking 10 countries which gives access through computer terminals to a large number of important data bases - in agriculture, law, business, medicine, energy and much more

- in space technology, France is particularly strong in developing launcher capacity; Britain has outstanding expertise in telecommunications payloads. Both are vital ingredients of a successful European space programme

I would give you the example to illustrate the point that by the right mixture of cooperation and competition we shall surmount the new challenges with which we are faced.

- our two countries have had a long and successful history of participation in major European scientific projects, for example the European Organisation for Nuclear Research in Geneva, and the Joint European Space Agency in Paris and the Joint European Torus here in the United Kingdom (Culham)

Mr. Chairman, there was a period - in the 1970's - when collaboration seemed to have tumbled off. But at our Summit meeting last September the French President and I identified a number of opportunities for fresh collaboration in aerospace, nuclear energy and science and technology. Since that Summit:-

- the United Kingdom has agreed to subscribe to the development of the next generation of Ariane satellite launchers

- we have also agreed to undertake the development of a satellite Europe communications satellite as a joint Anglo / French ~~government / industry~~ project between government and industry.
- scientists from both our countries met in Paris in February to follow up the summit and developed proposals for collaboration in a variety of other fields. They will meet again in the U.K. in autumn, 1983.

~~in other~~
 progress on other areas identified at the summit has been less impressive. I hope we can effect can be renewed. Because I am convinced that we are natural partners in these exciting fields of future technology. We both have a high degree of technological expertise, expertise, inventive imagination and industrial capacity. ~~and traditional~~
~~and healthy rivalry.~~

~~we need to pool our talents, where it makes sense to do so, to face the external challenge to our economies which is strong, growing and will not go away. There is a new premium on the flair and initiative which our two democracies. We have a common interest in applying the funding projects where we can collaborate ~~successfully~~ and be able to deal more successfully with the external challenge to our economies which is strong, growing and will not go away.~~

INTERNATIONAL AFFAIRS

There is another and ^{perhaps} more fundamental challenge - the growing threat to the Western ~~democracies~~ ^{way of life}. France and Britain are particularly well placed to meet it. We have, increasingly, a similar view of the world.

We may have - do have - our differences with the European Community. But we agree on the vital

importance

importance of developing the Community as a more effective instrument for tackling our most pressing problems. [We agree that the Community is a priceless asset in furthering moderation and stability in a dangerous world. [We agree - and I recall in particular the attitude adopted by the present French government to ~~the~~ Soviet ^{attacks in} ~~invasion of~~ Afghanistan and to events in Poland - that all assaults on freedom and democracy must be resisted if the liberty which we cherish in our part of Europe is not to be imperilled too.

I have not got so far in a speech in recent weeks without mentioning the matter which is on the minds of most of our people at present - the situation in the South Atlantic. I do so now to make a particular point about the Franco-British relationship.

On 3 April, ^{the day} just hours after the Argentine invasion, President Mitterrand rang me to express his support for the British position. I shall

/not forget

not forget that gesture. The President of France understood at once the principles which were at stake:

- that if an aggressor succeeded in this case, no small country or territory anywhere would be safe;
- that if freedom and international law were trampled on, unchallenged, in one distant part of the world, then they would be elsewhere too.

France understood ^{these principles} ~~that~~ because like Britain it has a special devotion to liberty ^{France} ~~it~~, too, has had and still has responsibilities for small territories far from its own shores. ^{like us,} ~~it~~ ^{France} ~~France~~, too, is a permanent member of the UN Security Council with the particular obligations that brings to protect peace and security. ^{JP} And we have had the most encouraging support from our other Community partners, ^{as well as} ~~too~~. Their firm response to a foreign

/power's

~~We are working for a peaceful solution - not a
peaceful sell-out.~~

Most of our countries recognize the need to be strong in
an unstable world. ~~From the north~~ We understand why France wishes to
retain an independent nuclear deterrent. We understand
that better than most because we too have reached
the conclusion - and still to it - that we also need
that capacity.

A similar view of the world, a belief that the
true democracies must be ready to defend their
principles; ~~is the strongest~~ there are strong reasons
indeed for cooperation.

power's assault on our cherished values has shown the world, perhaps more convincingly than any earlier act, that the Community, when its fundamental principles are challenged, has formidable political and economic power which it will use in defence of those principles.

CONCLUSION

Mr. Chairman, the British author of a recent book on modern France asked in his final chapter whether, as nations grow closer together and lose some of their earlier characteristics, France will lose its Frenchness. As he put it:

"In the old days, the French had berets and bidets and the English did not, the English had pubs and the French had bistros, the French had l'amour and the English had sport Today it's no longer at all clear who has what, as nations copy each other fast and even the

/ British

British convert to the decimal system."

But, as he went on to say, this kind of change is superficial and the real question to ask is whether a nation's essential genius will be lost in the process of unification. Heaven forbid, but I

do not think there is much danger. ~~The nation of Racine, Vanben and Brie will persist.~~

The nation of Shakespeare, ~~Brunel and Cheddar~~ is also alive

and strong. It is not by submerging our distinctive national characteristics that we shall achieve our aims. But we can and should pursue our national purposes by pooling our resources where it makes sense

to do so. ~~That is the constructive way to enhance our national interests in the 20th century.~~ France and Britain are well placed to pursue that course because we have fundamentally common interests in a world of rapid and sometimes dangerous change.

/ My aim and,

The nation of Racine, Voltaire, Debussy - and Brie - will persist.

Voltaire
André Co
Bachelard / Newton

Voltaire
Vanben

Burke, Elgar - and
Brunel and Cheddar

My aim and, I believe, the present French Government's, is a relationship where consultation and cooperation become a deeply ingrained habit. Your Council, Mr. Chairman, has an important role in promoting that co-operation. Thank you for your efforts so far. And for the future, all success.

Le Faulle

Cooperation does not mean that our distinctive national
characteristics should be submerged. Rather that our the
talents of our two peoples should be applied to meeting the
challenges which face us. ~~It is~~ The world around us is
changing fast and in some ways, changing dangerously.
~~We have~~ There is no ~~over~~ basis for lasting friendship
~~than a common perception of danger and a common resolve~~
~~to face it~~ I believe that the present government of
France and Britain, and the people of our two countries,
have a similar perception of the dangers, economic and
political, and a similar resolve to face them. There is
no ~~over~~ basis for friendship ~~than that~~. Anglo-French
cooperation is more than an ideal, more than a dream -
it has become a necessity.



*Amendments passed through
to Rosemary on 14/5*

Foreign and Commonwealth Office

London SW1A 2AH

14 May 1982

Dear John,

Thank you for your letter of today's date covering a revised version of the Prime Minister's speech for the Franco-British Council on 15 May. We have the following minor comments:

- Page 12: For "Culhan" read "Culham"
- Page 13: The first three lines should read "The British Government have subscribed to the developments of the next generation of Ariane satellite launchers"
- Page 13: In the gap before "European communications satellite" insert "stretched"
- Page 13: The meeting of scientists in February was not strictly speaking follow-up to the Summit, although it has of course happened since the Summit. I suggest deletion of the words "to follow-up the Summit and".

Yours ever,

Francis Richards

(F N Richards)
Private Secretary

A J Coles Esq
10 Downing Street

010
Hn 0928

MR COLES

Information Technology (Prime Minister's Speech
to Franco/British Council in Edinburgh

As requested, I attach a few paragraphs on Franco/British policies in the I T field. I hope this is the kind of thing the Prime Minister wanted - but please let me know if you want more or different.

2. I will send you separately as soon as possible a piece on scientific collaboration, on which I am awaiting material from Dr Nicholson.

J B Unwin

J B UNWIN

13 May 1982

Speaking Notes for Inclusion in Prime Minister's
Speech to Franco/British Council in Edinburgh

Information Technology

[In the sphere of industry and technology] we both face the same challenge from the newly industrialised countries. (As Jacques Servan Schreiber so graphically described in his recent book, The World Challenge.) Not only are those countries successfully competing in the traditional industries - steel, shipbuilding, motor vehicles and so on - but some of them are now skipping an industrial generation and competing in the new high technology industries themselves, such as information technology.

This is a formidable challenge. How can we best meet it? First, we must ensure that we exploit the new technology ourselves - in our offices, our factories, our hospitals, our schools, and our homes. Only in this way can we improve our own productivity and so remain fully competitive. Second, we must ensure that our high technology industries ^{take} exploit every opportunity ~~for~~ ^{to} exporting the skills and products developed at home to the rest of the world.

I am confident that we can both succeed in this. We have both acknowledged the importance of developing and harnessing the new technology and Government and private industry alike are giving priority to it. In France public consciousness was raised by the famous Nova/Minc report ["L'Informatisation de la Société"] which led to (the formulation of) a range of information technology policies and programmes. In Britain we have demonstrated the high importance we attach to it by joining with industry to designate this year as Information Technology Year '82. Incidentally, I am told that our I T Year was in fact inspired by the (I T Week in France some two years ago which stemmed from the Nova/Minc report to which I have just referred. I am delighted to acknowledge the parentage; but I should not like it to be thought that in the field of information technology we need a year to learn what France can learn in a week!)

The fact is that we both have great skills to exploit and share with the rest of the world. In some of them we can and should co-operate; in others it is right that there should be healthy competition between us.

An outstanding example of co-operation involving our countries in the information technology field is the Euronet "Diane" information service. Diane stands for Direct Information Access Network for Europe - and it means precisely what it says. A low cost network linking 10 countries now gives access through computer terminals to a large number of important data bases - in agriculture, chemistry, law, business, medicine, energy and much more.

In the field of space, we both have strengths that complement each other. While France is particularly strong in developing launcher capacity, Britain has outstanding expertise in Telecommunications payloads. Both are vital ingredients of a successful European space programme.

In other areas we have perhaps developed in different ways and have more to learn from each other. The French ability to transfer technology between the private and public sectors is one that we often envy. Equally I believe that by the policies we have pursued on telecommunications we have started to lay more quickly the foundations and structure necessary for the full development of the information economy. We shall certainly be extremely well placed, for example, to exploit and develop cable systems, should we decide to accept the recommendations which have recently been put to the Government by the Panel of Information Technology Advisers I myself appointed last summer.

There are many examples I could quote of our common or complementary skills and policies in the high technology field. We have both recognised the need to co-operate with outsiders for world markets in hardware where economies of scale are crucial. Just as ICL has entered into an agreement with Fujitsu, so CII (the French ICL) has forged links with Honeywell-Bull. In the computer services field the European Computing Services Association (ECSA) was founded by Britain's own Computing Services Association (CSA), but France are now the largest members. And so on.

But the central fact is that we both have a rich culture to enjoy and share with the world. And we both attach high priority to developing the technology to enable us to do so. I am confident that by the right mixture of co-operation and competition we shall surmount the new challenges with which we are faced.



13 MAY 1982



Hn 0929

MR COLES

c Dr Nicholson
CPRS

Scientific Co-operation (Prime Minister's
Speech to Franco/British Council in Edinburgh)

Further to my earlier minute I attach some notes on scientific co-operation based on material from Dr Nicholson.

2. Two small points on the paragraphs on I T:-

- i. In paragraph 3 the references in lines 4 and 9 should be to the Nora/Minc report (Nora was, incidentally, a Treasury official!);
- ii. in the penultimate paragraph on the second page the reference in brackets after CII was intended as a gloss for your own information. CII is the major French owned computer company and as such the French equivalent of our ICL.



J B UNWIN

13 May 1982

Scientific Co-operation

In the broader field of scientific co-operation generally Great Britain and France have a long and successful history of participation in major European scientific projects. Outstanding examples are CERN (European Organisation for Nuclear Research) in Geneva, ESA (European Space Agency) in Paris and JET (Joint European Torus) in Culham, here in the UK.

I am glad to note too that close collaboration on a bilateral basis has recently been further stimulated by the meeting in Paris in February between scientists and officials from M Chevenement's Ministry of Research and Technology and a group of British Chief Scientists and Heads of Research Councils. This meeting was foreseen at the Anglo-French summit of September 1981 and resulted in a clear desire to promote collaboration in certain Government-supported scientific activities. This can only be beneficial to both our nations.

[Specific proposals for collaboration include:

- a. the shared use of large equipment such as French participation in existing SERC (Science and Engineering Research Council) neutron sources and infra-red telescopes and British use of French oceanography research vessels and climatology research aircraft;
- b. joint discussions on new large equipment such as the proposed European Science Foundation synchrotron radiation source;
- c. exchange of information in areas of renewable energy resources such as solar, wind and wave energy, coal gasification and geothermal energy where the French and British programmes are largely complementary;
- d. joint programmes on emerging technologies such as biotechnology where both countries have significant Government-supported scientific research programmes.]



There have been a number of follow-up meetings on the detail of the discussions and the next major meeting is scheduled for autumn 1983 in the UK. As in the specific field of information technology which I have already discussed, co-operation of this kind, where we can each contribute and exploit our particular strengths, is vital if we are successfully to face the challenge of intensifying world competition.

CONQUEROR



13 MAY 1982





CONFIDENTIAL

Foreign and Commonwealth Office

London SW1A 2AH

13 May 1982

Dear John,

Franco-British Council Conference

Thank you for your letter of 10 May ^{with ATC?} enclosing the latest draft of the Prime Minister's speech. I attach our comments on a separate sheet.

We shall be forwarding the briefs requested in paragraph 3 of your letter by the evening of 13 May. We have already suggested those who should be present at the Prime Minister's talks with President Mitterrand and M Mauroy.

Yours ever,

Francis Richards

(F N Richards)
Private Secretary

A J Coles Esq
10 Downing Street

CONFIDENTIAL



SUGGESTED AMENDMENTS TO DRAFT SPEECH BY THE PRIME MINISTER TO
FRANCO-BRITISH COUNCIL

- Page 1/2 Delete last sentence of paragraph 2. Substitute:
'I am delighted that I shall have the opportunity
to discuss questions of common concern with
President Mitterrand in London on Monday'.
- Page 2 Last sentence of paragraph 3. Delete:
'Their influence has persisted ... cultural
connection'. Substitute: 'Their influence was
felt most noticeably
- in the two legal systems which have a
number of common roots;
 - in the field of culture; the French Romantic
Movement ...'
- Page 3 Delete last two sentences on this page. (An
exhortation to expand activities would lead to
a request for more funds which we are at present
unable to provide).
- Page 4 Delete from '1980 had been a rather turbulent year'
down to 'in the process, British and French
viewpoints did not always coincide'. (On
reflection, it seems superfluous to point out
these old Anglo-French differences).
- Page 5 For 'we both have a certain attraction for' read
'we both see a certain attraction in'.
- Page 5 Under 'Economic and Industrial Cooperation'
rephrase first three sentences as follows:
'The first is that, as the industrialists here
will agree, Britain and France have been rediscovering
how much we have to offer each other in advanced
technology'.
- Pages 6 & 7 Delete two paragraphs from 'In the 1970s' down to
'So let us know'. Substitute the following:

/'In the 1970s



'In the 1970s our collaboration seems to have tailed off. This was regrettable; perhaps an inevitable reaction to some of the problems encountered in the 1960s. But at our Summit meeting last September the French President and I identified a number of opportunities for fresh collaboration in

- aerospace
- nuclear energy
- science and technology

Since the Summit the British Government has agreed to subscribe to the development of the next generation of Ariane satellite launchers. We have also agreed to undertake the development of a stretched European communications satellite as a joint Anglo-French Government/industry project.

But I am bound to say that in other areas progress has been disappointingly slow, despite the investment of considerable time and effort by Ministers on both sides of the channel. I find this disappointing because I remain convinced that we are natural partners in these exciting fields of future technology. We share to a high degree technological expertise, inventive imagination, industrial capacity - even a certain traditional rivalry.

I can only appeal to the eminent industrialists here tonight and their colleagues not here present, to think very carefully about the possibilities. You are the people in whose hands a very important area of Franco-British collaboration rests. Nothing would please me more than to see greater collaboration between French and British firms, particularly in areas of advanced technology. But we have to be realistic. The resources available for investment in large and exciting projects are not unlimited. The current world recession, and in particular

/the contraction



CONFIDENTIAL

of the US market in some crucial areas, make it essential to study the economics of each new project with especial care. A failed collaborative project may often be worse than no project at all.

Do not misunderstand me: I am convinced that we must think long and hard - and preferably together - before embarking on projects which may look good on the drawing board but which turn out to have inadequate commercial prospects. But I am equally convinced that the opportunities are there and that resources can be found.'

Page 8

After 'in our part of Europe is not to be imperilled too' insert two new paragraphs as follows:

'Prime Minister, it is no secret that there are very important differences between us on the Common Agricultural Policy and the Community Budget. You passionately believe that the CAP is at the heart of the European Community and must not be put at risk. We of course accept that it is an integral and vital part of the Treaty of Rome but we also believe that the Community Budget like any national budget ought to reflect a reasonable standard of fiscal equity. The problem is not an easy one to resolve and there may be troubled times ahead for the Community. It is vital that all our efforts should be bent towards achieving an early and equitable solution.

But meanwhile, Prime Minister, what we must both jointly resolve is that these difficulties do not damage the whole pattern of our bilateral relationship to which both you and I attach such importance. We need to make progress wherever we can. In international economic affairs for example, we are working closely together. I am looking forward with great confidence to the Economic Summit meeting at Versailles. I know the enormous care with which the President of France is making preparations for this important meeting and I await with particular interest his ideas on technology. There are many other areas

/where you

CONFIDENTIAL



CONFIDENTIAL

where you and we are working closely together. I know how much Geoffrey Howe values his relationship with Monsieur Delors. In the industrial, transport and energy fields I have already mentioned there are constant exchanges of visits between Ministers and senior officials. [Our two Foreign Ministers, who most regrettably could not be iwth us here in Edinburgh met in London only last night].

[If made public]

Page 8

Last sentence to read: 'On 3 April, just 24 hours after the Argentine invasion ...'

CONFIDENTIAL

17 11 1982

3 MAY 1982

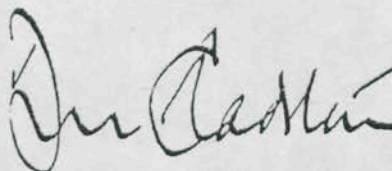
34

Mr Goodison

cc: Mr Gray MAED
Mr Spreckley ECD(I)
Mr Mallaby Planning Staff
Emergency Unit

FRANCO-BRITISH COUNCIL CONFERENCE: PRIME MINISTER'S SPEECH

1. I submit comments on the draft speech enclosed with Mr Cole's letter of 10 May to the Private Secretary in the form of a draft letter in reply. I have taken advice from ^{Mr Adams,} MAED, EESD, ECD(I), Planning Staff and Emergency Unit.



D A S Gladstone
Western European Department

12 May 1982

CONFIDENTIAL

DSR II (Revised)

DRAFT: minute/letter/teleletter/despatch/note

TYPE: Draft/Final 1+

FROM:

Reference

PS

DEPARTMENT:

TEL. NO:

SECURITY CLASSIFICATION

TO:

Your Reference

Top Secret

PS

Secret

No 10

Confidential

Restricted

Unclassified

Copies to:

PRIVACY MARKING

SUBJECT:

.....In Confidence

FRANCO-BRITISH COUNCIL CONFERENCE

CAVEAT.....

Thank you for your letter of 10 May enclosing the latest draft of the Prime Minister's speech. I attach our comments on a separate sheet.

We shall be forwarding the briefs requested in paragraph 3 of your letter by this evening. We have already suggested participation at the Prime Minister's talks with President Mitterrand and M. Mauroy.

Enclosures—flag(s).....

SUGGESTED AMENDMENTS TO DRAFT SPEECH BY THE
PRIME MINISTER TO FRANCO-BRITISH COUNCIL

- Page 1/2 Delete last sentence of para 2. Substitute:
''I am delighted that I shall have the opportunity
to discuss questions of common concern with
President Mitterrand in London on Monday''.
- Page 2 Last sentence of para 3: Delete: ''Their
influence has persisted ... cultural connection''
Substitute: ''Their influence was felt most
noticeably
- in the two legal systems which have a
number of common roots;
 - in the field of culture; the French
Romantic Movement ...''
- Page 3 Delete last two sentences on this page.
(An exhortation to expand activities would lead
to a request for more funds which we are at
present unable to provide).
- Page 4 Delete from ''1980 had been a rather turbulent
year'' down to ''in the process, British and
French viewpoints did not always coincide''.
(On reflection, it seems superfluous to point
out these old Anglo-French differences).
- Page 5 Under ''Economic and Industrial Cooperation''

"The first is that, as the industrialists here will agree, Britain and France have been rediscovering how much we have to offer each other in advanced technology".

Pages 6 & 7 Delete two paragraphs from "In the 1970s" down to "So let us know".

Substitute the following:

"In the 1970s our collaboration seems to have tailed off. This was regrettable; perhaps an inevitable reaction to some of the problems encountered in the 1960s. But at our Summit meeting last September the French President and I identified a number of opportunities for fresh collaboration in

- aerospace
- nuclear energy
- science and technology.

Since the Summit the British Government has agreed to subscribe to the development of the next generation of Ariane satellite launchers. We have also agreed to undertake the development of a stretched European communications satellite as a joint Anglo-French Government/industry project.

But I am bound to say that in other areas progress

ment of considerable time and effort by Ministers on both sides of the channel. I find this disappointing because I remain convinced that we are natural partners in these exciting fields of future technology. We share to a high degree technological expertise, inventive imagination, industrial capacity - even a certain traditional rivalry.

I can only appeal to the eminent industrialists here tonight and their colleagues not here present, to think very carefully about the possibilities. You are the people in whose hands a very important area of Franco-British collaboration rests. Nothing would please me more than to see greater collaboration between French and British firms, particularly in areas of advanced technology. But we have to be realistic. The resources available for investment in large and exciting projects are not unlimited. The current world recession, and in particular the contraction of the US market in some crucial areas, make it essential to study the economics of each new project with especial care. A failed collaborative project may often be worse than no project at all.

Do not misunderstand me: I am preaching realism, not defeatism. I am convinced that the opportunities are there and that the resources can be found. But I am equally convinced that we must think long and hard - and preferably together - before embarking on projects which may look good on the drawing board

Page 8

After 'in our part of Europe is not to be imperilled too' insert two new paragraphs as follows:

'Mr Prime Minister it is no secret that there are very important differences between us on the Common Agricultural Policy and the Community Budget. You passionately believe that the CAP is at the heart of the European Community and must not be put at risk. We of course accept that it is an integral and vital part of the Treaty of Rome but we also believe that the Community Budget like any national budget ought to reflect a reasonable standard of fiscal equity. The problem is not an easy one to resolve and there may be troubled times ahead for the Community. It is vital that all our efforts should be bent towards achieving an early and equitable solution.

But meanwhile, Mr Prime Minister what we must both jointly resolve is that these difficulties do not damage the whole pattern of our bilateral relationship to which both you and I attach such importance. We need to make progress wherever we can. In international economic affairs for example, we are working closely together. I am looking forward with great confidence to the Economic Summit meeting at Versailles. I know the enormous care with which the President of

meeting and I await with particular interest his ideas on technology. There are many other areas where you and we are working closely together. I know how much Geoffrey Howe values his relationship with Monsieur Delors. In the industrial, transport and energy fields I have already mentioned there are constant exchanges of visits between Ministers and senior officials. [Our two Foreign Ministers, who most regrettably could not be with us here in Edinburgh met in London only last night.] ''

[If made public]

Page 8

Last sentence to read: ''On 3 April, just 24 hours after the Argentine invasion ...''

France
PRIME MINISTER

FRANCO-BRITISH COUNCIL, EDINBURGH, 15 MAY

26 JP

You are addressing the above next Saturday. You are asked to speak for about 15 minutes.

2. The Foreign Secretary will have spoken the previous day and will deal mainly with international problems. The organisers hope that you and Monsieur Mauroy, who will also be speaking, will deal principally with bilateral Anglo/French relations.

3. There will not be much time to prepare your speech because you will naturally want to concentrate this week on your much more important speech at Perth on Friday. We shall, however, have the afternoon before your Edinburgh speech to put it in final form (I plan to fly up to join you at the end of Saturday morning).

4. I attach a draft speech. The structure is:

(a) Introduction

(b) The Franco-British Council

(c) Franco-British relations

(i) economic and industrial cooperation

(ii) approach to international affairs

(d) Conclusion

4. Do you want to discuss this further before you leave for Perth?

10 May 1982

A.S.C.

JP



76 JR

10 DOWNING STREET

From the Private Secretary

10 May 1982

Dear Francis,

FRANCO-BRITISH COUNCIL CONFERENCE

Thank you for your letter of 4 May.

2. I enclose the latest draft of the Prime Minister's speech. It may of course still change substantially but it would be helpful to have as quickly as possible any comments which you may wish to offer at this stage.

3. I should be grateful if the briefing both for the Franco-British Council Conference and the talks with M. Mauroy could reach me by Thursday night at the latest and if the former brief could include notes on:

(a) the administrative arrangements as they affect the Prime Minister and Monsieur Mauroy, including a list of the principal guests at the dinner;

(b) the aims and structure of the Franco-British Council;

(c) the Bordeaux Conference, together with copies of the main speeches made on that occasion.

3 // 4. We shall also need to settle, before the Prime Minister leaves for Perth on Friday 14 May, the arrangements for the talks with President Mitterrand and/or Mauroy in London on 17 May. Could you therefore let me have as early as possible this week your suggestions as to the participants in these talks.

5. I am copying this letter to Muir Russell (Scottish Office) and David Wright (Cabinet Office).

Your own
John Baker.

Francis Richards, Esq.,
Foreign and Commonwealth Office.

JR

SPEECH BY THE PRIME MINISTER TO THE
FRANCO-BRITISH COUNCIL, EDINBURGH, 15 MAY

INTRODUCTION

I am delighted to be with you this evening. I am particularly glad to welcome the Prime Minister of France, Monsieur Mauroy, and his distinguished colleagues from the French Government.

Prime Minister, this is your first official visit to Britain. Indeed, you are the first French Prime Minister to visit us since Monsieur Pompidou in 1966. That is far too long. We meet our French colleagues frequently on Community business and at the growing list of international conferences. But everyone here, with their special concern for our bilateral relations, will agree with me that we need to meet more frequently - to discuss the particular problems and areas of co-operation where France and Britain have common interests and aims. You and I, Prime

/ Minister,

Minister, will have the opportunity to do that in London on Monday and I am delighted that President Mitterrand will be visiting us on that day as well.

Perhaps it was the prospect of Scotland rather than England which persuaded you to break the habit of 16 years. Scotland has enjoyed close links with France for many centuries. But I am bound to say that for several of them England - as the common enemy - "enjoyed" those links rather less. From the twelfth century, through the 'Auld Alliance' during the Hundred Years War to Mary Stuart and her French husband, Francis II, these links were tangible and powerful. Their influence has persisted:

- in the shape of two similar legal systems;
- in a certain cultural connexion; the

French Romantic movement owed a good deal to the novelist, Sir Walter Scott;

- even in sport, where the French left their mark on that most Scottish of games, golf:

/ a "caddie"

a "caddie" who carries a golfer's clubs

comes from the French word "cadet";

- and food? Well, hardly. Of the Scottish national dish let us say that, like French cuisine, it is inimitable and unexportable.

FRANCO-BRITISH COUNCIL

I look back with pleasure to the first meeting of the Franco-British Council, in the great city of Bordeaux 18 months ago. With this, the second conference of its kind, we are beginning to establish a tradition. It is a valuable one. Those who manage Franco-British relations, those who trade between Britain and France, those who help to mould opinions in both countries, should meet regularly. I congratulate the officers of the Council on providing the occasion. I urge them to expand their activities, always with an eye on practical results. And if they need the help of our governments I hope they will let me, and you, Prime Minister, know.

FRANCO-BRITISH RELATIONS

When I look back at your first Conference, I am struck by the distance we have travelled since then; bilaterally, in the Community and in the world at large. 1980 had been a rather turbulent year. It began with the Soviet invasion of Afghanistan. It continued with the protracted debate which led up to the decisions on the Community's finances taken on 30 May 1980. The world - and Europe - were changing. In the process, British and French viewpoints did not always coincide.

Less than a year later - in September 1981, I had my first Summit meeting with President Mitterrand. All the newspapers said it was a success. They were right. We talked about a remarkable range of subjects and found ourselves in agreement on most of them. But why?

/ - because

- because I and Monsieur Mitterrand share the same political philosophy? I hardly think so.

- because of common economic policies? No again - though we both have a certain attraction for radical solutions.

There are two reasons and I shall spend some time on them, because they tell us a good deal about the underlying strength of our relationship.

ECONOMIC AND INDUSTRIAL COOPERATION

The first is that our paths are converging in the industrial field. The industrialists here will bear me out. Britain and France have been re-discovering how much we have to offer each other in advanced technology. The 1960s saw several important bilateral collaborative programmes - Concorde, Jaguar aircraft, Lynx and Puma helicopters to name but four. But they were conceived in a

period of economic expansion and experienced the teething troubles associated with all new ventures.

In the 1970s, our collaboration tailed off. I believe that the downward trend was reversed by the bilateral summit of last September. We identified exciting new possibilities in transport, aerospace, nuclear energy, science and technology. I am sure this will have been particularly welcome to Monsieur Mauroy, with his close ties with the industrial north-east of France. We have not let the grass grow under our feet since then. Ministers and officials on both sides have put a great deal of effort into following up those summit decisions. More will be needed to bring to fruition the projects we discussed. If the project that has most caught the public imagination - I refer to the Channel Fixed link - still has a long way to go, I can only say that when something has been dreamed about for 150 years, it is reasonable to take a little more time to ensure that we know where we are going.

/ It is the

It is the technological expertise, inventive imagination, industrial capacity - even a certain traditional rivalry - of our two countries which makes them natural partners. Those qualities are represented by the industrialists here tonight. You are the people in whose hands a very important area of Franco-British collaboration rests. Again, if you think the two governments should be doing more, you have one, and I think two, Prime Ministers here tonight who want to promote good industrial projects which benefit both countries. So let us know.

INTERNATIONAL AFFAIRS

The second reason why President Mitterrand and I found it easy to agree is because France and Britain have, increasingly, a similar view of the world.

We may have - do have - our differences within the European Community. But we agree on the vital

/ importance

importance of developing the Community as a more effective instrument for tackling our most pressing problems. We agree that the Community is a priceless asset in furthering moderation and stability in a dangerous world. We agree - and I recall in particular the attitude adopted by the present French government to the Soviet invasion of Afghanistan and to events in Poland - that all assaults on freedom and democracy must be resisted if the liberty which we cherish in our part of Europe is not to be imperilled too.

I have not got so far in a speech in recent weeks without mentioning the matter which is on the minds of most of our people at present - the situation in the South Atlantic. I do so now to make a particular point about the Franco-British relationship.

On _____, just _____ hours after the Argentine invasion, President Mitterrand rang me to express his support for the British position. I shall

/not forget

not forget that gesture. The President of France understood at once the principles which were at stake:

- that if an aggressor succeeded in this case, no small country or territory anywhere would be safe;
- that if freedom and international law were trampled on, unchallenged, in one distant part of the world, then they would be elsewhere too.

France understood that because like Britain it has a special devotion to liberty, because it, too, has had and still has responsibilities for small territories far from its own shores. France, too, is a permanent member of the UN Security Council with the particular obligations that brings to protect peace and security. And we have had the most encouraging support from our other Community partners, too. Their firm response to a foreign

/power's

power's assault on our cherished values has shown the world, perhaps more convincingly than any earlier act, that the Community, when its fundamental principles are challenged, has formidable political and economic power which it will use in defence of those principles.

CONCLUSION

Mr. Chairman, the British author of a recent book on modern France asked in his final chapter whether, as nations grow closer together and lose some of their earlier characteristics, France will lose its Frenchness. As he put it:

"In the old days, the French had berets and bidets and the English did not, the English had pubs and the French had bistros, the French had l'amour and the English had sport Today it's no longer at all clear who has what, as nations copy each other fast and even the

/ British

British convert to the decimal system."

But, as he went on to say, this kind of change is superficial and the real question to ask is whether a nation's essential genius will be lost in the process of unification. Heaven forbid, but I do not think there is much danger. The nation of Racine, ^{Vauban} ~~Vanben~~ and Brie will persist. The nation of Shakespeare, Brunel and Cheddar is also alive and strong. It is not by submerging our distinctive national characteristics that we shall achieve our aims. But we can and should pursue our national purposes by pooling our resources where it makes sense to do so. That is the constructive way to enhance our national interests in the 20th century. France and Britain are well placed to pursue that course because we have fundamentally common interests in a world of rapid and sometimes dangerous change.

/ My aim and,

My aim and, I believe, the present French Government's, is a relationship where consultation and cooperation become a deeply ingrained habit. Your Council, Mr. Chairman, has an important role in promoting that co-operation. Thank you for your efforts so far. And for the future, all success.



Foreign and Commonwealth Office

London SW1A 2AH

4 May 1982

AK 12/5

p.a.

Dear John,

Franco-British Council Conference, Edinburgh: 14 - 16 May

The Prime Minister is addressing the Conference on 15 May. I enclose a draft speech which - as agreed with the French - concentrates on Anglo-French relations. International affairs will be the theme of the Secretary of State's speech the previous day.

We are in separate correspondence about arrangements for the Franco-British Council and for the Prime Minister's talks with M Mauroy and M Mitterrand on 17 May.

Yours ever,

(F N Richards)
Private Secretary

A J Coles Esq
10 Downing Street

PRIME MINISTER'S SPEECH TO THE FRANCO-BRITISH COUNCIL,
EDINBURGH, 15 MAY 1982

I am delighted to be with you this evening, and particularly glad to welcome the French Prime Minister, M. Mauroy, and his distinguished colleagues from the French government.

This is the first time you have paid an official visit to Britain, Mr Prime Minister. Indeed you are the first French Prime Minister to visit us since M. Pompidou in 1966. That is far too long. For a country that elects its President and Parliament for such enviably long periods as France, may we hope that her Prime Minister will in future be able to get away a little more often from the business of state to visit Britain without precipitating a national crisis? We would very much welcome that.

Perhaps the fact that this is Scotland and not England had something to do with your decision to break the habit of 16 years. Scotland has enjoyed close links with France for many centuries, though I am bound to say that for several of them, England - as the common enemy - 'enjoyed' those links rather less. From the 12th century through the 'Auld Alliance' during the Hundred Years War to Mary Stuart and her French husband, Francis II, these links were tangible and powerful. They remain today in the shape of two similar legal systems. The French Romantic movement owed a good deal to the novelist, Sir Walter Scott. The French left their mark on that most Scottish of /games, golf:

games, golf: a "caddie" who carries a golfer's clubs came from the French word "cadet". The Scottish national dish may not have a direct French antecedent, but, like French cuisine, it is inimitable and unexportable. I am relieved that there is a chink in the Franco/Scottish front: it is after all the Promenade des Anglais in Nice, Edinburgh's twin city.

*Frans
British Council*

There are therefore many good historical reasons why this Conference should be taking place in Edinburgh. In the presence of a French Socialist Prime Minister it is perhaps particularly apt to recall that it was in Edinburgh in 1867 that one of my predecessors, Disraeli, said: "Change is inevitable. In a progressive country change is constant." As far as the Franco-British Council Conference is concerned, the change is not in spirit or purpose but in venue. The fact that this is the second Conference of its kind means that we are now establishing a tradition. These meetings are now a firm feature in the Franco-British calendar. The Franco-British Council has again brought together a remarkable group of participants. It is essential that those involved in managing Franco-British relations, those who trade between Britain and France, those who help to mould opinions, should meet regularly in an informed atmosphere to take stock of the partnership and chart its future course. Indeed, so eminent is this gathering that I was at first tempted to wonder whether you should all be kept in permanent session, not just in the interests of bilateral harmony but also to make suggestions on some of the pressing problems of the wider world. But on reflection, I decided I would rather go on doing things my way.

/When I look

When I look back at your first Conference at Bordeaux only 18 months ago, I am struck by the distance we have travelled since then; bilaterally, in the Community and in the world at large. 1980 was a fairly turbulent year, opening with the Soviet invasion of Afghanistan and continuing with the protracted debate which led up to the decisions on the Community's finances taken on the 30 May. A number of basic assumptions were being questioned and in the process British and French viewpoints did not always coincide.

Less than a year later, I was having my first Summit meeting with M Mitterrand. All the newspapers said it was a success. For once I agreed with them. We talked about an amazing range of subjects and found ourselves in agreement on most of them. Why should this have been so? Was it because my and M Mitterrand's political philosophies converged? Hardly. Were our economic policies the same? Despite a certain shared liking for radical solutions, I do not think the answer lay there!

If we adopt a more analytical, that is to say, French, approach to the problem, we can identify two basic lines of convergence. The first (as I have already suggested) is a remarkably similar view of international affairs and in

/particular

particular of East/West relations. We both proceed from the assumption that despite recession and the consequent agonies of unemployment, the real threat to our Western societies still comes from the Soviet Union, which continues to give absolute priority to strengthening its military, and specifically offensive, capability. Britain and France both recognise that, in order to achieve a stable political relationship with the East, military balance is required. That balance must be based both on military strength and on the rational pursuit of arms control. We both seek a way of managing East/West relations which takes account of the factors new to the 1980s and which reflects European preoccupations. At a time of economic difficulty, increased defence expenditure can mean painful budgetary choices. There are no doubt ways in which Britain and France, by working together, can alleviate the total burden. At any rate, both our governments realise that without a sustained effort in this area, Western Europe will become increasingly vulnerable and our capacity to influence events worldwide will be gravely diminished.

Secondly, our paths are also converging in the industrial field. Britain and France have been re-discovering how much they have to offer each other in a number of areas of advanced technology. The 1960s saw several important bilateral collaborative programmes - Concorde, Jaguar aircraft, Lynx and Puma helicopters to name but four. But they were conceived in a period of economic expansion and were subject to the teething troubles associated with

all new ventures. In the '70s our collaboration tailed off, and that trend could well have been strengthened by the current economic recession.

As it is, I believe that that downward trend was reversed by the bilateral Summit of last September. I was gratified by the political boost our two governments were able to give to bilateral cooperation. I am sure this will have been particularly welcome to M Mauroy, with his close ties with the industrial north-east of France. We identified exciting new possibilities in transport, aerospace, nuclear energy, science and technology. In all of these fields I know that we have much to learn from our French partners, and I believe we have something to offer in exchange. We have not let the grass grow under our feet since then. A lot of Ministerial and official time has been spent following up our Summit discussions. Marriage may be out of fashion these days, but I am old-fashioned enough to believe that it works - or can be made to work - provided that both parties apply their hearts and minds to the task. I would like that message to be received loud and clear by all our eminent industrialists here tonight as well as by those unlucky enough to be elsewhere. Few of the projects discussed last September may yet have reached the engagement columns of The Times, and in some cases it may be necessary to accept, after a frank assessment of what both sides have to offer, that no marriage at all is better than one doomed to an early divorce. But I shall continue to encourage firms to arrange as many marriages as possible.

/The technological

The technological expertise, inventive imagination, industrial capacity - even a certain traditional rivalry - of our two countries makes them natural partners. If the project that has most caught the public imagination, and I refer of course to the Channel Fixed Link, has not yet been consummated, I can only say that when something has been dreamed about for 150 years, you do not have to try to realise it overnight.

It will not have escaped you that most of the projects under discussion, including the Channel Fixed Link, have a European Community dimension, either of a tangible or of a symbolic kind. This is the framework within which our joint activities are increasingly taking place. It is no use pretending that we have not had - and still have - our differences within this framework. Nor perhaps is it surprising at a time of general economic difficulty that the most acute differences should have been over the allocation of scarce resources. But there is no disagreement between us over the vital importance of developing the Community as a more effective instrument for tackling our most pressing problems. Nor about the priceless asset which the Community represents in furthering moderation and stability in a dangerous world. We have been sharply reminded of this in recent weeks. We have seen how marvellously well the Community can react together to an external threat. The prompt, robust and effective support shown by our Community partners, not least by France in particular with her special responsibilities as a permanent member of the UN Security Council, has been exemplary. It has shown many sceptics in

/this

this country the real value of the Community. The Community's firm response to a foreign Power's assault on our cherished values of liberty and law can only be seen by the world at large as a ringing reaffirmation of the Community's significance as a political and economic force to be reckoned with.

I am always struck, in looking at the history of post-war relations between Britain and France, how thickly the path is strewn with good intentions. The political necessity for close Franco-British relations has consistently been recognised. But divergent interests have too often got in the way, and the relationship has oscillated between warmth and suspicion, enthusiasm and inertia. Summit meetings have periodically injected new energy into the relationship. Then, like the cables between two electricity pylons, that relationship has often sagged and the momentum has been lost. My aim and, I believe, the present French government's, is a relationship where consultation and cooperation become a deeply ingrained habit. Of course we shall continue to differ on a number of issues. Of course our distinct national geniuses will continue to propound differing approaches to our common problems. One has only to look at Racine and Shakespeare, Vauban and Brunel, Brie and Cheddar to realise that. But how monotonous it would be if we always sang in unison! But given the deep similarity in our national strength, capacity and aspirations, I hope that it will become a conscious habit to aim for common solutions. Let us not

/dissipate

dissipate our energies in argument, but rather pursue our national purposes through a pooling of resources. That, I firmly believe, is the current trend in our bilateral affairs. That is also the constructive way to enhance our national identity and interests in the 20th century. With their long tradition as nation states, France and Britain are uniquely placed to set an abiding example. When he arrived in London in 1830, Talleyrand aptly described his aim as "To establish at last that alliance between France and England which I have always considered as the most solid guarantee of the happiness of the two nations and of the peace of the world".

I wish this Conference, which is itself a shining example of the sort of joint endeavour I have in mind, every success.