



Sir Antony Acland KCMG KCVO
Permanent Under-Secretary of State

Foreign and Commonwealth Office

London SW1A 2AH

11 October 1982

Sir Robert Armstrong KCB CVO
CABINET OFFICE

A. J. C. 5/3

My dear Robert,

ANGLO-FRENCH SUMMIT: 4-5 NOVEMBER

1. As you know, the Prime Minister is to visit Paris for talks with the French President on 4-5 November. It will be the second such Summit meeting with M. Mitterrand and will have some difficulty in matching the public success of last year's Summit in London. However, there is some useful work to be done, both by the Prime Minister and by other Ministers participating in the Summit.
2. The French have not yet decided whom they would wish to participate in the meeting, nor what the agenda should be. I shall let you and the other recipients of this letter have these details as soon as they are available. At official level it was thought that M. Cheysson and his junior Minister responsible for European Affairs, M. Chandernagor, might participate, together with the Minister of Research and Industry (M. Chevenement), Transport (M. Fiterman) and the Economy (M. Delors), with perhaps the Minister of Agriculture (Mme Cresson) as well. We have made known the Prime Minister's views to the French, namely that consideration should be given to the participation, in addition to the Foreign and Commonwealth Secretary, of the Chancellor of the Exchequer, the Secretaries of State for Trade, for Industry, and, perhaps, for Defence, and the Minister for Agriculture.
3. The programme is a little clearer. The Prime Minister has said that she would like to leave after the Front Bench speeches on Thursday 4 November. President Mitterrand would hope for a short tête-à-tête after her arrival in Paris before dinner at the Elysee. Working meetings between the individual Ministers would start early the following morning and be followed by a plenary session. The press conference



would be fitted in either before or, more likely, just after lunch. Participants would then be free to return to London during the afternoon. Time for talks will be fairly short given the requirements in most cases for consecutive translation. I hope nonetheless that these arrangements will be acceptable to all concerned.

4. The Cabinet Office official group on Anglo-French relations has approved the attached paper on UK tactics and objectives for the Summit, which covers topics we would expect to cover at the Summit. The traditional statements of British and French objectives are at Annexes A and B respectively of that paper. At Annex C is a suggested list of briefs including the lead departments. Those items which we would not expect the two principals themselves to tackle have been marked.

Yours ever
Antony

Antony Acland

cc: Sir Douglas Wass GCB
HM TREASURY

Sir Frank Cooper GCB CMG
MINISTRY OF DEFENCE

Sir Donald Maitland GCMG OBE
DEPARTMENT OF ENERGY

Sir Brian Hayes KCB
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TACTICS FOR THE ANGLO-FRENCH SUMMIT: 4-5 NOVEMBER 1982

1. This paper suggests what the UK approach might be to the forthcoming Summit. It has been drafted on the assumption that by the time of the Summit a settlement has been achieved on the 1982 Budget Refunds Question and that the French have not already shown themselves determined to be completely intransigent on the issue of the Community Budget for 1983 and beyond.

UK Strategy and Objectives

2. Two themes are almost certain to dominate the Summit: Community Issues and transatlantic relations (including relevant aspects of East/West relations). Recent French pronouncements suggest that we may be heading for a confrontation over the Budget. Our aim must therefore be to make very clear to the French that a fair and lasting Budget settlement must be achieved while avoiding a public row on this issue. Broad agreement on transatlantic relations and other international questions may be attainable and could be a useful balance to disagreement over Community issues. There will be little progress to register on specific bilateral projects since the last Summit. The Prime Minister will wish to build on and exploit her good personal relations with President Mitterrand (on balance enhanced by the Falklands crisis) to persuade him that individual problems should not undermine the general improvement at political level in Anglo-French relations over the past 18 months.

French Aims and Constraints

3. The Foreign and Commonwealth Secretary's meeting with M Cheysson on 22 September was more encouraging in tone than M Chandernagor's presentation at the Council on 20 September, but unyielding on the Budget issue. The difficult economic situation in France at the

rentrée and an uneasy relationship with the United States are likely to put President Mitterrand in a tough mood. While wishing to preserve the improved climate in relations, President Mitterrand will not wish to be pinned down, especially on the Budget, partly because of the cost to France. Despite this he too will be looking for a broad measure of agreement on wider international issues, and may be receptive to the argument that a confrontation over the Budget is against the wider French interest in Western European solidarity. On collaborative projects we can expect him to press for UK participation in the Airbus A320 and he may come forward with further proposals for cooperation.

4. UK and probable French objectives are at Annexes A and B.

Tactics

5. From the UK point of view it might be best for the Prime Minister and President to concentrate initially on the broader themes where they can expect to reach a measure of agreement. This suggests starting with international issues, in particular transatlantic relations. There should be no difficulty in agreeing the extent of the problem but there may still be disagreement over the best way of solving it. Discussion might be more constructive if preceded by a broad review of East/West relations where the two leaders see eye to eye, and where French robustness on security matters remains an asset in US eyes. Agreement may be possible on the basis for and limits of the European approach to trade with Eastern Europe.

Moving on to European differences with the US over the Siberian pipeline, the Prime Minister will wish to avoid giving any impression she is arguing on behalf of the Americans, but (depending on whether developments in October show the US Administration is looking for a way out) she may still have to

impress on the President the need for a solution which allows the Americans to exempt our existing contacts from US measures without losing face.

6. The timing of the Summit is likely to mean that neither side will be in a mood for compromise on EC issues. In any case, the Summit provides a crucial opportunity to put across our views and remove any misunderstandings at the highest level about the Budget for 1983 and beyond. It is not in French interests for the Budget to become a purely Anglo-French quarrel. The change of government in Germany may make the German attitude of critical importance if only in the sense that the French may not be certain what policies the CDU/FDP coalition will follow. (The Franco-German Summit is due to take place on 21-22 October and the Anglo-German one on 28-29 October.) Whether or not the French are less confident of German support than in the past the Prime Minister will wish to emphasise that the Government's firm commitment to the Community includes an immediate concern to ensure its financial health. Settlement of Britain's Budget contribution for 1983 and later years cannot be put off until a general review of Community finances takes place. Unless the French recognise the urgency, Britain and France look to be set on a collision course which will damage the relationship as a whole as well as the prospects for European cooperation. The Prime Minister will wish to urge the President not to allow the Budget issue to fester. Ministers and officials should be directed to adopt a constructive approach that presupposes that a Budget settlement which reconciles French and British interests for 1983 and beyond is both possible and desirable. It would be useful to be able to invoke an identifiable commitment of this kind from the top over the coming months, though we should be under no illusion about the difficulty of avoiding confrontation with the French as negotiations proceed.

7. Defence is unlikely to play a major part in the discussions. The French seem to wish to move cautiously towards a closer dialogue on defence issues, but their ideas do not appear to have crystallised. The Prime Minister will wish to endorse the exchanges already under way, and to make it clear that we are willing to develop them further when the French are ready.

8. There has been little or no progress towards implementing the major collaborative projects which were such a public feature of the success of the last (1981) Summit which could counter-balance difficulties over other issues. There is indeed potential for discord over some items particularly perhaps Concorde and a danger that the French may conclude from what has happened over others such as the Channel Fixed Link (the Banks' Study will probably not have been completed) and aero-engine co-operation, that Britain's heart is not in working together with the French. The Prime Minister might, therefore, to advantage take the initiative in telling President Mitterrand we regret that we have not between us made swifter progress but that this is because of genuine problems in the individual projects rather than any bias on our part. We shall have to resist any French pressure for a politically rather than commercially-based decision on the Airbus A320 or the Channel Fixed Link but we should also not give the French any excuse for launching the potentially important A320 projects without us in advance of HMG's future decision on launch aid

9. The prospects for wider, multilateral cooperation may be better though French attempts to exclude us from European discussion on direct broadcasting by satellite are not encouraging. But we should be able to maintain the habit of close consultation on trade with Japan, GATT, textiles, international monetary questions, US/EC trade relations, the Siberian gas pipeline (see para 5 above) and UN matters. We should make an across-the-board effort to intensify bilateral coordination at official and Ministerial level with the French for all international gatherings.

10. Suitable arrangements for monitoring progress on Summit follow-up should be agreed at the Summit itself. The mid-term review by Foreign Ministers should be confirmed.

Conclusion

11. Unless circumstances make a confrontation over the Community Budget inevitable, this Summit is not likely to be particularly newsworthy. There is no scope for a great leap forward in the relationship. It will be difficult enough to ensure a business-like atmosphere in which personal relationships are consolidated, policy differences kept within bounds and progress on substantive issues made where that is possible. We must make very clear to the French that a fair and lasting Budget settlement must be achieved while avoiding a public row on this issue. We shall need to persuade them that failure to reach agreement on the Budget issue soon will set our two countries on a collision course and damage the relationship as a whole, and that our common interest in that relationship and in European solidarity should make them, in their own interests, work together with us for a workable solution. We must not allow French allegations that we are unforthcoming on major Anglo-French projects to stick.

ANGLO-FRENCH SUMMIT, 4-5 NOVEMBER 1982

A. PRIMARY UNITED KINGDOM OBJECTIVES

1. Community Affairs. To make very clear that a fair and lasting budget settlement must be achieved while avoiding a public row on this issue. To impress on the French the UK's determination to play its full part in shaping the future of the Community. To explore French thinking on future developments, including enlargement.
2. US/European relations. To reach an understanding on the right approach, taking into account such factors as defence and East/West economic relations.
3. Collaborative Projects. To convince the French that our different approaches to major projects like the Channel Fixed Link, the Airbus and Concorde must not be interpreted as a lack of British interest in such cooperation.

B. SUBSIDIARY BRITISH OBJECTIVES

4. East/West relations. To explain British views with particular regard to arms control and to the situation in Poland.
5. International economic and monetary situation. To discuss developments since the Versailles Summit. To coordinate positions on forthcoming international trade negotiations.
6. The Falklands. To secure French diplomatic support both in general and at the UNGA. To urge the French not to resume sales of sensitive weapons.

7. International affairs. To put across British views on the Middle East and Africa (especially Southern Africa).

8. Defence. To show continuing willingness to achieve closer cooperation on nuclear and non-nuclear defence and arms control questions.

A. PROBABLY PRIMARY FRENCH OBJECTIVES

1. Community Issues. To lower British expectations about a solution to the Budget problem; to put across the French case that EC common policies in various sensitive areas should be completed before enlargement and that enlargement will result in a cost to the UK.
2. International Issues (East/West, Poland, Arms Control). To align the UK with French views, in particular where these diverge from those of the Americans.
3. Collaborative Projects. To demonstrate that lack of progress since the last Summit is primarily due to the UK. In this context:
 - (a) to press for UK participation in the early launching of the Airbus A320 project;
 - (b) to urge the UK to join them in terminating Concorde services;
 - (c) to press for UK collaboration over fast breeder reactors.

B. PROBABLE SUBSIDIARY FRENCH OBJECTIVES

4. To enlist British understanding for French economic policies.
5. To achieve maximum mutual understanding on policies towards Japanese trade and on European interests in US trade and monetary policies.
6. The Falklands. To avoid agreeing to anything which might be an obstacle to France's bid for better relations with Argentina and Latin America as a whole, including arms sales.

ANGLO-FRENCH SUMMIT: 4-5 NOVEMBER

PROPOSED LIST OF BRIEFS

* = Background Brief

	<u>Lead Dept</u>	<u>In consultation with</u>
1. Steering Brief	FCO	As appropriate
2. European Questions		
A. European Community Steering Brief	FCO	As appropriate
B. EC Budget	FCO	Treasury, MAFF
C. Agricultural Questions	MAFF	FCO, Treasury
D. Enlargement	FCO	Treasury, Trade, MAFF, Employment
E. EC/US Steel	FCO	DOI
F. Common Fisheries Policy	MAFF	FCO
G. European Act	FCO	As appropriate
3. Transatlantic Relations and related aspects of East/West Economic Relations, including Siberian Gas Pipeline	FCO	As appropriate
4. East/West Political Relations (including Afghanistan)	FCO	
5. Poland	FCO	Treasury, Trade
6. CSCE	FCO	
7. International Economic and Monetary Questions		
A. Prospects for the World Economy (including US economic policy)	Treasury	FCO
B. International Debt Problems	Treasury	FCO
C. International Trade Problems (including Protectionism, Japan, GATT ministerial)	Trade	FCO, Treasury
8. Economic Summits		
A. 1983 Summit	FCO	Treasury, Cabinet Office
B. Working Group on Technology, Growth and Employment	Cabinet Office	FCO

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9. Defence Matters	MOD	FCO
10. Arms Control and Disarmament	FCO	MOD
11. World Political Issues		
A. Arab/Israel and Lebanon	FCO	
B. Europe/Latin America (including the Falkland Islands)	FCO	
C. Southern Africa/Namibia	FCO	
D. China	FCO	
E. North/South Dialogue	FCO	
*F. Iran/Iraq and the situation in the Gulf	FCO	
*G. UNLOSC	FCO	
*H. International Terrorism	FCO	Home Office
12. Bilateral Questions	FCO	As appropriate
*13. French Scene		
A. Political	FCO	
B. Economic	Treasury	

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13 October 1982

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Dear Antony,

ANGLO-FRENCH SUMMIT: 4-5 NOVEMBER

with ASE?

I am generally content with the line proposed in Annexes A and B of your letter of 11 October to Robert Armstrong and am glad that we intend to use the occasion to give a clear exposition of our Community budget problem to the French.

I am less happy about the proposed handling of the aerospace issue, and think that the handling of this could be reexamined in the light of the outcome of the Franco/German and Anglo/German summits and the industrial meetings planned for later this month. These will help us determine how much the French wish to make of aerospace issues, and decide if collaborative projects in the aerospace sector will be a primary French objective (paragraph 3 of Annex B).

You are right in thinking we need to be consulted over brief 2E. We would also hope that Brief Nos 2D, and 8B (where we are working closely with the Cabinet Office) and 12 could be prepared in consultation with us.

We would also be grateful for an early sight of the drafts of Brief Nos 2A, 2B and 3.

I am sending copies of this letter to the recipients of yours.

Yours ever

Peter

Peter Carey

4 OCT 1982

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