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Foreign and Commonwealth Office

London SW1A 2AH

27 April 1984

Sir Robert Armstrong GCB CVO
CABINET OFFICE

Dear Robert,

1. Thank you for your letter of 19 April to Antony Acland, who is away this week, about Anglo-French collaboration on telecommunications, and in particular about M. Attali's concern over the timing of the visit by Sir George Jefferson of British Telecom to Paris.
2. The specific proposal from the French PTT is that they should buy the British System X switching equipment for 10% of the French market, while British Telecom should buy the French E10B equipment for 10% of the UK market. We understand from the Department of Trade and Industry that British Telecom have evaluated the E10B and find it wanting. Sir George Jefferson will therefore wish to give a negative answer to the French on this point.
3. However, he will have other positive things to say, including probably suggestions for the possible manufacture of System X in France, and the purchase of one or two E10Bs for BT's use in the UK. He also proposes to explore the scope for longer-term cooperation between BT and the French PTT and to make it clear that BT wants such cooperation.
4. In the light of this, we believe that there will be enough of a positive element in what Sir George has to say and that he should not be asked to put the visit off. BT's decision against the reciprocal marketing proposal will probably be no surprise to the French. Moreover, to postpone the visit at this late stage would look a little odd and could give a false impression of what BT have to say. It could also reinforce French suspicions about the extent of HMG's influence over BT.
5. We would like, if you agree, to let John Fretwell know about Attali's approach. It would also be useful if Sir George Jefferson could be told of it before he goes and asked to have a word with the Embassy before he sees the French.
6. I am copying this letter to Brian Hayes and John Coles.

Yours ever
Julian

J L Bullard

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70 Whitehall, London SW1A 2AS Telephone 01-233 8319

Secretary of the Cabinet and Head of the Home Civil Service

Sir Robert Armstrong GCB CVO

Ref. A084/1283

30 April 1984

My dear Julian,

-with TR?

Thank you for your letter of 27 April.

I agree that you should let John Fretwell know about Attali's approach to me over the timing of Sir George Jefferson's visit to Paris.

I also agree that George Jefferson should be told of Attali's approach and of the concern expressed. In the interests of a successful meeting between the Prime Minister and the President on 4 March, I hope that George Jefferson will be asked to put what he has to say to his French counterparts as positively as possible.

I am sending copies of this letter to Brian Hayes and John Coles.

Yours ever
Robert

Sir Julian Bullard KCMG

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30 APR 1984

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70 WHITEHALL, LONDON SW1A 2AS

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Mr Coles to see of
M/S.

From the Secretary of the Cabinet and Head of the Home Civil Service

Sir Robert Armstrong GCB CVO

Ref. A084/1227

19 April 1984

My dear Antony,

I have had two recent approaches from the French Government about the possibility of a joint arrangement between British Telecom and its French counterpart.

The French Ambassador spoke to me in the course of a social function on 17 April. He spoke in very general terms, but the objective was clearly to emphasise the importance which the French Government attached to a co-operative venture in this area. He very much hoped that Sir George Jefferson's forthcoming conversations in Paris would be successful.

On the evening of 18 April I was rung by Monsieur Attali from the Elysee. He too said that the French Government, right up to the President, set great store by a successful co-operative venture in this area. He understood that Sir George Jefferson was personally in favour of it, though "some elements in his administration" were not. He hoped that Sir George Jefferson could be given a positive steer by the Government.

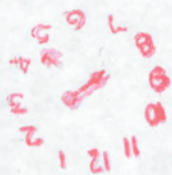
Sir George Jefferson was due to visit Paris on 3 May. Speaking personally, Monsieur Attali said that, if Sir George was coming with a positive answer, or an open answer, well and good; but, if the answer which he would bring was negative, it would be better that he should come after rather than before the Prime Minister's visit to the President on 4 May, since this was a matter to which the President himself attached much importance, and a disappointing answer would not help the talks which the President and the Prime Minister were to have.

I am sending a copy of this letter to Brian Hayes, and also one to John Coles.

*Yours ever
Robert*

Sir Antony Acland KCMG KCVO

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26 APR 1984