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FILING INSTRUCTION

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16 October 1985

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Private Secretary to
Sir Robert Armstrong GCB CVO
CABINET OFFICE

c - Mr Powell + attachments

Any Comments on list
of briefs.

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My dear Michael,

ANGLO-FRENCH SUMMIT: 18 NOVEMBER 1985

1. This letter sets the scene for the Anglo-French Summit due to take place in London on 18 November.
2. President Mitterrand and his Government, led by the Prime Minister, Laurent Fabius, are hard pressed at home. Fabius's reputation for good management has been damaged by the Greenpeace scandal, which led to the resignation of the Defence Minister, Charles Hernu. The affair has now died down, but could yet spring further surprises. Mitterrand's popularity rating remains low. Although his personal dominance over the Socialists is not in doubt, his own faction in the party has lost ground recently to the group led by Michel Rocard, the former Agriculture Minister who resigned in June (and who represents the social democratic tendency in the party). The Socialists are almost certain to lose their overall majority in next March's National Assembly elections, when the Centrists and Gaullists are likely to win enough seats to form a coalition government. If they do, France will, for the first time under the Fifth Republic, have a President and Government of different political complexions. Relations between them could well be difficult. But Mitterrand appears determined to stay in office until the end of his term in 1988 and calculates that the continuing rivalry between the opposition leaders Barre, Chirac and Giscard (the last two of whom do not want an early presidential election for fear of losing to the currently popular Barre) will increase his room for manoeuvre.



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3. For the first time in recent years, we have agreed with the French, in accordance with the Prime Minister's wishes, that the Summit should take place within a single day. We have recommended separately that, as well as the Prime Minister, the Foreign Secretary, the Secretary of State for Trade and Industry, the Home Secretary, the Secretary of State for Energy, the Secretary of State for Defence, the Secretary of State for Transport, the Minister for the Arts and the Minister of State for Industry and Information Technology should take part in the Summit.

4. The main areas on which the Prime Minister will probably wish to focus are East/West Relations (President Reagan meets Mr Gorbachev on 19-20 November), EC issues (before the meeting of the Inter-Governmental Conference planned for 19 November and the Luxembourg Council in December) and bilateral issues (primarily the Channel Fixed Link). Other issues which will be discussed by Ministers participating in the Summit, and which may be raised in the plenary session, depending on circumstances at the time, include terrorism, Eureka, and other international questions notably the Falklands.

East/West Relations and Arms Control

5. The meeting takes place the day before the Reagan/Gorbachev Summit in Geneva. Both the Prime Minister and President Mitterrand have first hand experience of Mr Gorbachev - in Mitterrand's case during the Russian leader's visit to Paris from 2 to 5 October. The Prime Minister will have met Mr Reagan at the Summit Seven lunch in New York on 24 October. Mitterrand has refused to attend this, but has asked for a bilateral with Reagan in advance of the Geneva meeting. Both sides may want to use the opportunity to exchange views on how to react to the outcome of the Reagan/Gorbachev meeting, and on the prospects for Geneva and for East/West relations generally. They may also want to compare notes on the Soviet proposals for direct talks with France and the UK.

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European Community

6. The meeting will be an important opportunity to explore directly with Mitterrand his attitude to the proposals for additions or changes to the existing EC treaties which will be before the Heads of Government at the European Council in Luxembourg on 2-3 December. On the substance of many of these issues we have more in common with the French than with most other member states. We have been able to work quite closely with them in the Inter-Governmental Conference. At a political level, however, Mitterrand will want to try to present himself as more "European" than us, and to remain close to Chancellor Kohl. But Mitterrand probably does want an agreed outcome, if possible, at the European Council; and he will not want the discussions to drag on through the French elections. The French have cooperated with us in keeping the draft 1986 EC budget within the financial guideline; and joined with us in pressing for cuts in cereal prices (resisted by the Germans). They are insisting that negotiations on preservation of the Mediterranean countries' trade access to the EC be concluded in advance of the accession of Spain and Portugal - we share both their sense of urgency and their approach on the substance.

Bilateral Relations

7. Bilateral relations have been under some strain recently. Difficulties at the Milan Summit and differences over policy towards South Africa were exacerbated in French eyes by our public and private expressions of concern and calls for compensation following Fabius's admission of French responsibility for sinking the Rainbow Warrior - and by press suggestions that the Prime Minister and Mr Heseltine had called France's reliability as an ally into question in approaching President Reagan in support of the sale of British battlefield communications equipment (following our success in selling Tornado to Saudi Arabia against French competition). It is far from certain that the storm has blown over, particularly in the Elysée.



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8. The Channel Fixed Link is likely to be the dominant bilateral dossier. We expect at least four promoters to have submitted proposals by the 31 October deadline. Neither we nor the French will have evaluated these bids enough to permit detailed discussion at the Summit, but the French wish the Prime Minister and President Mitterrand to re-affirm their commitment to the project and to the timetable for final selection. The issue of French quotas for British lorries may also require further discussion at the Summit. The Prime Minister raised this with Fabius in August. The French have not agreed to lift their quota restrictions on the road haulage traffic that would use the CFL although they agreed in September to a useful increase (17%) in the UK/France bilateral quota.

9. At last year's Summit it was decided to raise the profile of our bilateral defence exchanges. This has given new impetus to this aspect of our relationship and a report on defence contacts over the past year will be submitted to Defence Ministers at the Summit. It will show an increase in the quality if not the number of exchanges. National Armaments Directors are to submit a separate report on bilateral defence equipment collaboration. In addition, agreement to resume visits by nuclear-powered submarines has been reached (HMS Splendid will visit Toulon in the next few weeks); and a proposal has been put forward for a joint out-of-area exercise in France in late 1987.

10. The Summit may also provide an opportunity to review progress on other collaborative ventures such as European space projects, Airbus, collaboration on information technology and telecommunications, and the Guangdong Nuclear Power Station project. It is possible that a decision on British participation in the European Synchrotron Radiation Facility at Grenoble and on French participation in the UK's Spallation Neutron Source, currently due to be taken in time for the EC Research Ministers' meeting on 10 December, might be advanced to permit an announcement at the Summit if the decisions are positive. President Mitterrand may revive his proposal for an Anglo-French Research Foundation, launched during his State Visit last year. The Franco-British Council have been actively canvassing industrial interest in Britain, but the response has been at best lukewarm.

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Eureka

11. Ministers are meeting in Hanover on 5-6 November to define the structure of Eureka and take note of progress towards projects. Discussion at the Summit is thus likely to be in general terms. But Mitterrand may wish to argue for French concepts, such as the need to promote research as well as product development and the need for support from public funds. Some 20 French and British companies have had contacts to discuss possible projects in a number of high technology areas, and we would hope that it may be possible to announce the launch of one or two projects at or before the Summit. We shall wish to draw on the discussions at the Financiers' Conference in London on 14 October to emphasise the lead role in Eureka of the market, private industry and private finance.

Terrorism

12. This subject will need careful handling in the light of the Rainbow Warrior affair. But the events of recent months make it all the more urgent to develop international cooperation to counter terrorism. The French, whilst ready to intensify bilateral exchanges (we have had useful meetings at Ministerial and senior official level in recent months), have shown some reticence in discussing it in international fora, notably the Summit Seven. Four French hostages are currently held by Palestinian organisations in Lebanon, whilst in France itself the left-wing Action Directe, which has links with other European terrorist groups, has continued to carry out sporadic attacks, as have other groups.

Other International Issues

13. The Summit provides an opportunity to put across our views on developing relations with Argentina and to reassert the importance we attach to French abstention in the Falklands debate at the UNGA (scheduled for 26 November). During President Alfonsin's visit to Paris in September Mitterrand expressed support for Argentina's insistence on negotiations on sovereignty, but appears to have avoided a commitment to voting with Argentina at the General Assembly. The latest indications are that the Argentines are making a renewed bid for French support and the French are hinting at linkage between their continued support for us and our adopting a position



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helpful to them over proposals for a South Pacific Nuclear Free Zone (which they see as directed against their testing programme). The French have recently been reasonably reassuring in response to our approaches on arms sales to Argentina, but it cannot be excluded that the subject will need to be raised again.

14. The Prime Minister may wish to follow up her discussion of Southern Africa with Fabius in August. A decision on whether to remain a member of UNESCO is due to be taken in the light of the Sofia conference which ends on 12 November. It is unlikely that the necessary consultations will have been completed by the time of the Summit, and Mitterrand may lobby in favour of our remaining. He may also wish to encourage high level British participation in a conference on the problems of deforestation in Africa and Europe due to be held in Paris in February. Other regional issues are likely to be covered by Foreign Ministers.

International Trade and Economic matters

15. The Summit will also provide an opportunity for the Foreign and Trade and Industry Ministers to reinforce with the French the need for the EC to manage its trade relations with the US very sensitively this autumn, while making clear to the Americans the Community's ability to retaliate against any protectionist moves. We shall also want to remind the French, who have been over-sensitive within the Community to developing country criticism of a new GATT round, that urgent progress is needed to restrain the Americans from pursuing bilateral solutions to their trade problems. The French may raise EC/Japan trade relations, as well as relations between developed and developing countries, and the economic situation in Africa. Following Mitterrand's visit to Brazil and Colombia this month, we may wish to raise the problem of debt, not least in an attempt to dissuade him from supporting too openly Latin American calls for a political dialogue.

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Public Handling

16. The summit will be announced about 10 days beforehand. It has been recommended that the Prime Minister should give an interview to the major French weekly news magazine "Le Point" on the eve of the summit. Consideration is also being given to an interview for French television. We will be arranging the usual pre-summit briefing of the British press by senior officials here.

17. The Summit itself will be concluded with a joint press conference, probably at the Banqueting House. Attention will almost inevitably be focused on East/West relations and arms control in view of the Reagan/Gorbachev meeting the following day. The press will certainly see the Anglo-French Summit as having some significance in that context, not least because of the role of Britain and France as the two European nuclear powers. We are considering a joint statement on the British and French attitude to the Gorbachev proposals. The French will probably press for a joint communiqué on the Channel Fixed Link. We would hope to use the press conference to draw attention to some of the more successful collaborative ventures in which Britain and France are involved. We will be seeking advice from Whitehall on what the best items to highlight might be. This could be covered at the meeting of MISC 76 which we will be arranging, mainly to discuss the steering brief, in early November.

18. I attach a suggested list of briefs for the Summit. I should be grateful if any comments on this list or on the contents of this letter could reach this office by Wednesday 23 October.

*Yours ever,
Sherard.*

Sherard Cowper-Coles
Private Secretary

cc: overleaf

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cc: Private Secretaries to:
Sir Peter Middleton KCB, HM Treasury
Sir Clive Whitmore KCB, CVO, MOD
Sir Brian Hayes KCB, DTI
Sir Michael Franklin KCB, CMG, MAFF
Sir Peter Lazarus KCB, D/Tp
P L Gregson Esq CB, D/Energy
Sir Brian Cubbon GCB, Home Office
T M Heiser Esq CB, D/Environment
R W L Wilding Esq CB, Office of Arts and Libraries



DRAFT LIST OF BRIEFS FOR ANGLO-FRENCH SUMMIT: 18 NOVEMBER

SUBJECT	LEAD DEPT	IN CONSULTATION WITH
1. Steering Brief (to include International Issues not covered elsewhere). Programme, Personality Notes and annex on the French Internal Scene	FCO (WED)	Others as appropriate
2. East/West Relations and Arms Control	FCO (Soviet D/ACDD)	MOD
3. European Community Topics		
a) IGC	FCO ECD(I)	Cabinet Office
b) Community Financing	Treasury	FCO (ECD(I))
c) Agriculture	MAFF	FCO (ECD(I))
d) Mediterranean Policy	FCO (ECD(E))	MAFF
4. Bilateral Relations		
a) General (to include industrial collaboration) with others	FCO (WED)	DTI MOD D/Energy
b) Channel Fixed Link	D/Transport	FCO (MAED)
c) Scientific Issues	Cabinet Office	DTI
d) Defence Relations	FCO (Defence D)/MOD	
5. EUREKA	DTI	Cabinet Office FCO (ESSD)
6. Counter-Terrorism	FCO (SCD)	Home Office



7. International
Treasury Economic and Trade FCO (ECD(E) Treasury
DTI Issues (to include and ERD) DTI
international debt and
North/South issues)
8. Oil Policy D/Energy FCO (ESSD)

