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PROSPECTS FOR THE ANGLO-FRENCH SUMMIT : 18 NOVEMBER

## SUMMARY

1. THE SUMMIT COMES AT A MOMENT WHEN ANGLO-FRENCH RELATIONS ARE PASSING THROUGH A ROUGH PATCH AND PRESIDENT MITTERRAND HAS HIS EYE ON THE FORTHCOMING LEGISLATIVE ELECTIONS. WE SHOULD SPEAK PLAINLY TO THE FRENCH ABOUT THEIR VOTING INTENTIONS ON THE FALKLANDS, BUT SHOULD SEEK TO LIMIT THE DAMAGE IN OTHER AREAS OF CONTROVERSY AND TO MAINTAIN A COOPERATIVE RELATIONSHIP ON SUBJECTS WHERE BRITISH AND FRENCH INTERESTS ARE OR OUGHT TO BE CONVERGENT.

## DETAIL

2. LITTLE OVER 4 MONTHS FROM THE ELECTIONS THE SOCIALISTS LOOK SET TO LOSE THEIR OVERALL MAJORITY IN THE NATIONAL ASSEMBLY, AND LESS AND LESS LIKELY TO FIGURE AT ALL IN THE GOVERNMENT WHICH EMERGES IN MARCH. POLITICIANS AND SENIOR OFFICIALS ARE ALL OPERATING WITH AN EYE TO THEIR OWN POSITION UNDER THE NEW ORDER. THERE IS A DISTINCT ATMOSPHERE IN PARIS OF THE END OF A CHAPTER.

3. MITTERRAND HIMSELF HAS RECENTLY BEEN RECOVERING SOME GROUND IN THE OPINION POLLS ALTHOUGH THE SOCIALISTS HAVE NOT. HE IS PREPARING TO COHABIT WITH THE EXPECTED RIGHT-WING GOVERNMENT AFTER MARCH. IT WILL BE THE FIRST TIME DURING THE FIFTH REPUBLIC THAT PRESIDENT AND GOVERNMENT HAVE BEEN OF DIFFERENT POLITICAL PERSUASIONS: THE RELATIONSHIP IS LIKELY TO BE DIFFICULT. THE RIGHT WARM THAT THEY WILL IMPLEMENT THEIR PROGRAMME WITHOUT COMPROMISE AND THAT, IF MITTERRAND OBJECTS, HE SHOULD RESIGN. BUT HE IS UNLIKELY TO DO SO. HIS STRATEGY WILL PROBABLY BE TO MAKE FULL USE OF HIS CONSTITUTIONAL POWERS, ESPECIALLY HIS POWER TO DESIGNATE THE NEW PRIME MINISTER, TO WAIT FOR THE NEW GOVERNMENT TO MAKE MISTAKES, AND TO EXPLOIT THEM. HE COULD IN THEORY DISSOLVE THE ASSEMBLY PREMATURELY, BUT THIS WOULD SERVE LITTLE PURPOSE UNDER THE PR SYSTEM UNLESS OPINION HAD SWUNG DRAMATICALLY TO THE LEFT. (IT IS HOWEVER POSSIBLE THAT THE NEW GOVERNMENT MIGHT QUICKLY MODIFY THE PR SYSTEM, THEREBY RESTORING THE POTENTIAL ADVANTAGES AND COSTS OF A DISSOLUTION). FOR THE MOMENT MITTERRAND'S AIMS ARE TO LIMIT THE ELECTORAL DAMAGE TO THE PS IN MARCH AND TO PROMOTE HIMSELF AS A UNIFYING FIGURE AND AS THE NATURAL REPRESENTATIVE OF FRANCE IN INTERNATIONAL AFFAIRS. IN HIS PRESENT MOOD, HE IS INORDINATELY SENSITIVE TO WHAT HE SEES AS CRITICISM FROM ABROAD OR ATTEMPTS TO TAKE ADVANTAGE OF THE SOCIALISTS' LAME DUCK SITUATION - PARTICULARLY BECAUSE OF THE STRONGLY NATIONALIST LINE BEING TAKEN BY THE OPPOSITION.

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4. THE EDGINESS THAT HAS CREPT INTO ANGLO-FRENCH RELATIONS OVER THE LAST TWO OR THREE MONTHS SHOULD BE SEEN AGAINST THIS BACKGROUND. FRENCH ISOLATION FROM THE TURIN AGREEMENT ON THE FUTURE EUROPEAN FIGHTER AIRCRAFT, ENVY OVER THE TORNADO CONTRACT WHICH DISPLACED FRENCH SALES PROSPECTS IN SAUDI ARABIA, RESENTMENT OVER THE REPORTED ANTI-FRENCH LINE TAKEN IN BRITISH LOBBYING IN WASHINGTON ON MSE, THE BELIEF THAT WE DELIBERATELY WEIGHED IN PUBLICLY AGAINST FRANCE AT THE MOMENT OF MAXIMUM POLITICAL EMBARRASSMENT OVER THE RAINBOW WARRIOR AFFAIR, AND OUR APPARENT ASSOCIATION WITH UNHELPFUL FORMULAE IN THE CHOGM COMMUNIQUE ON SOUTH PACIFIC ISSUES, ESPECIALLY THE NUCLEAR FREE ZONE TREATY, ALL FORM PART OF THE LITANY. IN THE CIRCUMSTANCES IT IS NOT ENTIRELY SURPRISING THAT RESTRAINTS HAVE BEEN REMOVED ON PRE-ELECTORAL PROPAGANDA BY THE FRENCH SOCIALIST PARTY AND BY GOVERNMENT MINISTERS TO THE EFFECT THAT ECONOMIC LIBERALISM HAS LED IN THE UK TO SOCIAL DISASTER.

5. HOWEVER I DO NOT BELIEVE THIS ROUGH PATCH WILL BLIND THE FRENCH TO THE IMPORTANT INTERESTS THAT FRANCE AND THE UNITED KINGDOM CONTINUE TO SHARE: AND IT WOULD BE OUT OF CHARACTER FOR MITTERRAND TO SEEK A CONFRONTATION AT THE BILATERAL SUMMIT. ON PAST FORM HE PREFERS TO AVOID SHARP CONTROVERSY ON SUCH OCCASIONS, AND TO GO FOR SOME MODEST BUT FAVOURABLE PUBLICITY, THUS LEAVING HIS HANDS FREE EG IN FUTURE COMMUNITY NEGOTIATIONS. THIS WILL NOT, OF COURSE, DO FOR US AS FAR AS THE FALKLANDS IS CONCERNED. WHATEVER STAGE WE HAVE REACHED ON 18 NOVEMBER, SOME PLAIN TALKING ON THIS SUBJECT WILL BE ESSENTIAL. WE SHOULD ALSO CONSIDER WHETHER TO SEEK A CLEARER UNDERSTANDING FROM THE FRENCH ON ARMS SALES TO ARGENTINA: THE MAIN OBSTACLE TO FRENCH SALES AT PRESENT IS NOT FRENCH PRINCIPLE, BUT ARGENTINE SHORTAGE OF CASH.

6. BUT THERE ARE A NUMBER OF IMPORTANT AREAS FOR DISCUSSION WITH MITTERRAND WHERE IT SHOULD BE POSSIBLE TO STRIKE A MORE POSITIVE NOTE. THESE INCLUDE THE CFL, STRATEGIC ISSUES, THE IGC AND FUTURE DEFENCE EQUIPMENT COLLABORATION.

#### CHANNEL FIXED LINK

7. THERE IS NO DOUBTING THE FRENCH GOVERNMENT'S CONTINUED COMMITMENT TO THE CFL PROJECT. AS THE PACE OF ACTIVITY ON THE CFL HAS QUICKENED, THE LEVEL OF PUBLIC INTEREST - EVEN ENTHUSIASM - HAS HEIGHTENED IN THE BELIEF THAT THIS TIME, AT LAST, THE PROJECT WILL BE REALISED. MITTERRAND WILL BE LOOKING TO THE SUMMIT FOR A REAFFIRMATION BY BOTH SIDES OF THEIR POLITICAL COMMITMENT TO SEE THE PROJECT SUCCEED ON THE TERMS LAID DOWN IN APRIL AND FOR CONFIRMATION OF THE TIMETABLE TO WHICH BOTH SIDES WILL WORK FROM NOW ON. THE FRENCH EXPECT THIS TO BE: A DECISION BY THE TWO GOVERNMENTS ON THE CHOICE OF PROJECT IN JANUARY 1986; TREATY SIGNATURE IN FEBRUARY 1986; AND TRATY RATIFICATION AS SOON AS RESPECTIVE PARLIAMENTARY PROCEDURES ALLOW. THIS TIMETABLE FITS NEATLY WITH THAT OF THE FRENCH ELECTIONS.

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Mr. Ridley says it's secret

8. THERE REMAINS THE QUESTION OF LIBERALISATION OF LORRY QUOTAS BETWEEN FRANCE AND THE UK. MY TELNO 909 OF 23 OCTOBER DISCUSSED THE TACTICAL HANDLING OF THIS. THE OPPORTUNITY SHOULD BE TAKEN TO REMIND MITTERRAND THAT WE REQUIRE A SATISFACTORY COMMITMENT BY THE FRENCH GOVERNMENT THAT TRAFFIC WILL BE FREE OF BILATERAL QUOTAS BY THE TIME THE LINK IS OPERATIONAL.

## GENEVA

9. MITTERRAND'S LINE SO FAR ON GENEVA HAS BEEN THAT HE WISHES REAGAN LUCK BUT THAT THE US/SOVIET NEGOTIATIONS ARE NOTHING TO DO WITH FRANCE. THIS ENABLES HIM TO AVOID SPECIFICS WHICH MIGHT UPSET ONE OR THE OTHER (EG WHETHER SDI SHOULD BE A BARGAINING CHIP), MINIMISES THE CHANCES OF FRANCE' NUCLEAR MISSILES HAVING TO BE PUT ON THE TABLE, AND CORRESPONDS TO THE INDEPENDENT POSTURE WHICH GOES DOWN WELL AT HOME. HE WILL PROBABLY NOT WANT TO DEPART TOO FAR FROM THIS LINE, BUT HE CANNOT DECENTLY REFUSE TO JOIN THE PRIME MINISTER IN EXPRESSING GENERAL SUPPORT FOR THE UNITED STATES ONE DAY BEFORE GENEVA; AND HE WOULD PROBABLY WELCOME A CHANCE TO SIGNAL THAT FRANCE AND BRITAIN ARE UNITED IN REJECTING GORBACHEV'S SUGGESTION OF NEGOTIATIONS ON OUR RESPECTIVE DETERRENDS, WHILE NOT RULING OUT CONTINUING EXCHANGES WITH THE RUSSIANS.

## IGC

Inter-Governmental Conference

10. THE FRENCH APPROACH TO THE IGC IS A CAREFUL BALANCING ACT. MITTERRAND WOULD LIKE AN OUTCOME WHICH CAN BE REPRESENTED AS AT LEAST A MODEST SUCCESS. AT THE SAME TIME, THERE IS A DEFINITE LIMIT TO HOW FAR HE CAN AFFORD TO GO. ON THE SUBSTANCE OF MOST OF THE KEY ISSUES FOR THE IGC - THE EUROPEAN PARLIAMENT, DECISION-TAKING, POLITICAL COOPERATION, THE INTERNAL MARKET, COHESION, NEW AREAS OF COMPETENCE, - FRANCE IS NOT ALL THAT FAR FROM THE UK. BUT IF THE SPECTRUM OF VIEWS AT THE EUROPEAN COUNCIL IS TOO WIDE FOR AGREEMENT TO BE POSSIBLE, MITTERRAND WILL WANT TO SAFEGUARD HIS EUROPEAN CREDENTIALS AND TO ENSURE THAT DEYLIGHT APPEARS BETWEEN THE VIEWS OF THE FRANCO-GERMAN TANDEM AND THE UK, NOT BETWEEN THE TANDEM AND ITALY. IN LONDON HE WILL TRY TO JUDGE WHAT ARE THE BREAK-POINTS FOR THE UK SO AS TO BE ABLE TO PLAY THE HAND AT LUXEMBOURG TO ACHIEVE THIS RESULT IF A MODES AGREEMENT PROVES UNATTAINABLE.

## DEFENCE EQUIPMENT COLLABORATION

11. THE FRENCH GOVERNMENT HAS HAD LITTLE DIFFICULTY DOMESTICALLY IN JUSTIFYING ITS INDEPENDENT STAND OVER EFA. WITHIN THE ADMINISTRATION, HOWEVER, ISOLATION IS SEEN AS A MAJOR SETBACK TO BOTH THE IDEAL OF COOPERATION AND THE LEADING ROLE OF THE FRENCH AEROSPACE INDUSTRY. MITTERRAND'S RECENT LETTER TO THE PRIME MINISTER SEEKS TO RECAPTURE THE INITIATIVE. THE EFA NEGOTIATIONS HAVE NOT HOWEVER SOURED DISCUSSIONS ABOUT OTHER COLLABORATIVE DEFENCE PROJECTS. IF ANYTHING, THERE APPEARS TO BE RENEWED INTEREST IN THIS AREA, WITH PROSPECTS WHICH WE MAY BE ABLE TO PURSUE TO OUR ADVANTAGE.