





Foreign and Commonwealth Office

On 29/1

Dear Charles

Anglo-French Summit

The Prime Minister may wish to draw on some of the following points (which have been approved by the Foreign Secretary) when opening the press conference with President Mitterand at the end of the Summit on 29 January.

Bilateral

At the end of the last Summit in Paris Anglo-French relations were described (by Chirac) as being the best for 20 years: it is now 21. There is an intense pattern of Ministerial and other exchanges. The Prime Minister saw Mitterand bilaterally twice last year and Chirac three times. France is our third largest trading partner. About 6 million British tourists are expected to visit France this year. We are looking at ways of strengthening the relationship still further. On youth exchanges there is to be a Colloquium on school exchanges, a joint study on vocational study exchanges (which hardly exist at present) and a doubling over the next two years of the volume of officially sponsored exchanges. There is considerable industrial collaboration: Airbus and the Channel Fixed Link are good examples. The Fixed Link project is going well. The Prince and Princess of Wales are to make a major visit to France in the autumn.

European Community

UK and French views are close on the essentials. The summit provides a useful opportunity to discuss a number of important Community issues in the run-up to the special European Council to be held in Brussels next month. Our major common goal is the achievement of a single market in Europe to widen our competitive base and to enable us to meet the challenge from the United States, Japan and the indusrialising nations of South East Asia. This we can achieve only if we have policies for the 1990s, including a policy for agriculture which reflects that sector's role in a modern economy.

Defence

This is an increasingly close relationship. Defence Ministers see each other regularly. On equipment procurement, we are taking steps to achieve better value for money through closer co-operation, including a series of joint conferences. There is increasing co-operation on military exercises, and

RESTRICTED

progress has been made on arrangements for defence of the Channel Fixed Link. Close consultation takes place on arms control issues. We both welcome the INF Agreement and hope it will be ratified. Both sides agree on the next arms control priorities. We plan to develop our exchanges on nuclear co-operation. We have also agreed on the importance of strengthening the European pillar of the Alliance without undermining existing NATO structures, and of continued co-operation between our two Navies and those of other friendly European nations in the Gulf. We are looking to consolidate and further develop these bilateral defence links.

Other International Issues

On <u>East/West Relations</u>, we have confirmed our closeness of view. Although the prospects for 1988 are promising, we should beware of exaggerated expectations.

On <u>Afghanistan</u>, we remain sceptical of Soviet intentions and continue to believe that what is needed is the early and complete withdrawal of Soviet forces. There is a great deal of diplomatic activity at present, and we value our close cooperation with the French on this issue.

I am copying this letter to John Howe (MOD), Philip Mawer (Home Office), Shirley Stagg (MAFF) and Marjorie Davies (Minister for Trade, DTI).

Sons ener

(L Parker)

Private Secretary

C D Powell Esq 10 Downing Street