



PM/82/21

PRIME MINISTERChannel Fixed Link

1. The Secretary of State for Transport's minute of 16 March to you reports some interesting ideas for getting round the problem of guarantees to which the French attach such importance and which we find difficult. I agree with him that it is worth exploring these ideas further in the context of the joint studies. A few weeks' delay in consideration of the final report on those studies is an acceptable price to pay whilst this matter is clarified and, I hope, a basis found for its resolution.
2. As the French negotiations over the Mandate make clear, we are moving into a particularly sensitive period in our relationship with the French. What their position will be on the Mandate remains somewhat obscure, but President Mitterrand does seem to feel that the reality of the close relationship between France and Germany requires to be balanced by better relations between France and the UK. This was the signal we received from the French at the Summit, and the objective is worth pursuing, particularly when Community issues remain difficult.
3. In trying to broaden the basis of the bilateral relationship, the French seem to attach some importance to the CFL. President Mitterrand was pleased by your reference to it at the Summit; and in the course of his farewell lunch for Sir Reginald Hibbert it was clear that the President had the link uppermost in his mind. I think it is very important, therefore, to ensure that nothing is said to the French at present about the link which would risk bringing the enterprise to a grinding halt at this rather sensitive time. Even if we cannot in due course find a solution to the question of guarantees, I do strongly feel that we need to proceed very carefully if we are to avoid wrong-footing ourselves tactically and running the risk of undermining our other interests with the French.

gsv
AW
Prime Minister (2) *[initials]*

MUS 17/3

[Handwritten signature]



4. I look forward to expanding these points at the comprehensive discussions of the project and its implications which will no doubt take place when the final report on the joint studies becomes available.

5. I am copying this minute to all other members of E Committee and to Sir Robert Armstrong.

A handwritten signature in blue ink, consisting of a large, stylized letter 'C' with a short horizontal stroke below it.

(CARRINGTON)

Foreign and Commonwealth Office
17 March 1982

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