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CHAIRMAN

29th August, 1980

Ian Gow Esq., MP,  
Parliamentary Private Secretary to  
Rt. Hon. Mrs. Margaret Thatcher, MP,  
10 Downing Street,  
London, SW1.

*Dear Ian,*

I am glad to note that the Prime Minister will be addressing the Bordeaux Conference of the Franco-British Council on 19th September. As Chairman of one of the Committees for the Conference, I was asked to prepare an article for Le Figaro, copy enclosed, which you may be interested to see.

I am also enclosing copies of the report of the Franco-British Seminar held in Autumn 1979 on 'The Challenge of Industrial Change in Britain and France' and of a preliminary report on Franco-British Industrial Collaboration. These documents will provide a basis for some of the discussions in the Committee on Business, which I am chairing.

*With kind regards,  
Yours,  
Derek Ezra*

Derek Ezra

Franco-British Cooperation

by

Derek Ezra

Chairman National Coal Board

Member Franco-British Council

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The Conference of the Franco-British Council to be held in Bordeaux on the 19th-21st September under the distinguished Chairmanship of Monsieur l'Ambassadeur de Courcel and Lord Thomson of Monifieth, will bring together 150 leading personalities from our two countries. This Conference has the full backing and support of the two governments as is reflected by the fact that Prime Ministers M. Raymond Barre and Mrs. Margaret Thatcher will be making major speeches. In this prestigious centre, where we will be welcomed by Monsieur Chaban-Delmas, I am sure we will have a unique opportunity of reviewing Franco-British relations.

As a participant at the Conference, I hope we shall use this opportunity to launch a more positive phase in our historic relationship. If we are to succeed in doing this, it will require a considerable degree of determination and dedication on both sides.

We shall be meeting at a time when both countries are being hit by the worst recession since the last war. The situation has been complicated by a number of differences between France and Britain, arising particularly out of the agricultural and budgetary arrangements in the European Community. I believe that, with good-will and understanding, these differences can be resolved (indeed some progress has already been made to find a solution to the budgetary problem).

There are a number of more fundamental problems which we should tackle positively together. Leaving aside wide strategic issues such as the maintenance of world peace, in which we both have a vital role to play, I suggest that there are three key areas where we can cooperate in a practical way to find solutions which will be of benefit both to us and to our other European partners. These are: energy security, industrial adjustment and relations with less developed countries. Unless we can progressively help to resolve these three issues we will remain beset with serious economic, social and political difficulties.

I put energy security first, because the uncertainty of energy supplies and prices remains at the root of many of the world's present problems. It is no exaggeration to state that the economic recession which we are now experiencing is directly attributable to the oil crisis. It must be a prime objective to avoid such perturbations in the future. This can be done in only one way - by lessening our dependence on external energy sources. Such an objective has been firmly declared by the seven leading Heads of State and Government at their meeting in Venice in June. It now needs to be carried out.

In both our countries we are highly skilled in the technology of the various forms of energy. Links have already been established in the major energy sectors. I can speak with experience going back many years of the collaboration between our respective coal industries, a collaboration of both a commercial and a technological nature which is opening up possibilities of joint activities in third countries. Our electricity industries are working together on an enlarged power line across the channel. French oil companies are operating in the North Sea. There is cooperation in nuclear technology within the framework of the Community. We need to intensify these existing links so as to be able to contribute in a positive way to an effective European policy for reducing energy import dependence.

The industrial scene represents another major challenge. Not only is recession bringing about reduced industrial activity and high unemployment, but there are also structural changes resulting from rapidly developing technologies and growing competitive pressures from outside the Community. A major effort of industrial adjustment is required. This involves both the stimulus of new industrial activities in place of those in decline, and a massive redeployment and retraining of industrial workers. Carefully balanced measures of social aid need to be devised to assist people in their transition from one form of activity to another. In all these matters we have considerable experience in our respective countries, but the challenge is now so great as to call for a pooling of experience and the injection of new ideas. We should put this in hand without delay.

An encouraging development in recent years has been the extent to which British and French firms have established themselves in each other's country. The activities involved range widely through industry, commerce and banking. Such companies as Michelin, Peugeot, Total Oil, and Tefal on the French side, and Lucas, Trust Houses Forte, Cadbury Schweppes and Marks and Spencer on the

British side, have been particularly active in this regard. Between 500 and 1,000 million francs every year are being invested in each direction across the channel. I have spoken to some of these firms and they are generally well pleased with their experiences. Here is a fruitful field for further expansion.

Should we not also be looking at major projects involving governments as well as enterprises? We already have the example of Concorde which, even though it has been financially costly, has demonstrated beyond doubt our combined technological excellence. We should be examining further possibilities in aerospace, transportation (including the Channel Tunnel), computers and other high technology areas.

Europe cannot exist isolated from the rest of the world. In particular we have a responsibility to those countries still in the process of economic development. The nature of this problem, and what the more affluent countries should do about it, has been clearly brought out in the Report, published early this year, by Willy Brandt's Commission. The report of this Commission will be debated at the Conference in one of the Committees presided over by Monsieur l'Ambassadeur Stephane Hessel and Dr. David Owen, former British Foreign Secretary.

While the North-South Dialogue, as it is called, affects numerous countries on both sides, Britain and France have had long years of experience of dealing with developing countries in many parts of the world. We therefore have special knowledge of their difficulties and can provide guidance to other developed countries on the sort of assistance required. We cannot minimise the vital importance of this problem. Unless positive corrective action is taken, the gulf between the affluent and the poorer nations will widen, misery and destitution in major parts of the world will increase, and the risk of violent upheavals will grow.

Another major item on the Conference agenda is how to improve the flow of information and understanding between France and Britain and it is a sign of the significance of the Conference that not only the keynote speeches will be made by the two Prime Ministers, but that much of the work in the field of future co-operation will be done by leaders of the press, television and radio of the two countries.

I have described some of the challenges which face the industrialised countries of Europe. I believe that Britain and France, by extending their links and pooling their highly developed skills and technology to an increasing degree, can contribute substantially to the solution of these problems, thereby benefitting not only themselves but also their other European partners. It is now necessary to select the areas of greatest importance - and I have suggested three - and then in a practical way, involving Governments, experts and business interests as appropriate, to identify the nature of the problem and pursue desirable solutions.

I hope that the forthcoming Franco-British Conference will prove to be an historic landmark in opening up a new era of cooperation between our two countries.

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