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PREM 19/1037



Chancellor Kohl's visit to  
UK, April 1983

GERMANY

Part 1: May 1979

PART 7

439.

Part 7: November 1982

Referred to	Date	Referred to	Date	Referred to	Date	Referred to	Date
<del>30.11.82</del>							
<del>10.12.82</del>							
<del>16.12.82</del>							
<del>20.12.82</del>							
<del>23.12.82</del>							
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<del>7.4.83</del>							
<del>22.4.83</del>							
<del>25.4.83</del>							
<del>28.4.83</del>							
<del>16.5.83</del>							
Ends							

PREM 19/1037



**PART** 7 **ends:-**

ASC to FCO 16/5/83

**PART** 8 **begins:-**

Michael Kaser to ASC 11/10/83



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cc: Hunt

10 DOWNING STREET

*From the Private Secretary*

16 May 1983

TELEPHONE CONVERSATION BETWEEN THE PRIME MINISTER & CHANCELLOR KOHL

As foreshadowed in John Holmes' letter of 13 May, Chancellor Kohl telephoned the Prime Minister this morning.

After some discussion of the prospects for the Election campaign, Chancellor Kohl said that he wanted to discuss the timing of the European Council. Important financial decisions would be considered and it would not be easy for the Prime Minister to delegate responsibility for these. On the other hand, he fully appreciated that she would be in the middle of an Election campaign. He therefore felt that the issue of timing should be discussed frankly in order that the right decision was taken.

The Prime Minister said that she wished to attend the European Council but there would obviously be difficulties in the two or three days preceding Polling Day. Chancellor Kohl said that in that case he felt that he and the Prime Minister should agree on a later date for the meeting. He would then put this date to President Mitterrand whom he would be seeing later today. He understood that at Schloss Gymnich some of the Foreign Ministers had informally discussed the possibility of postponement to 18/19 June.

The Prime Minister asked whether it was not the case that Foreign Ministers might agree on a solution to the UK Budget problem on 24 May. In that case she, or her representative, might come to Stuttgart on the dates at present planned in order to confirm a satisfactory solution. This would be most helpful in the Election campaign. Conversely, if there was failure to agree on a satisfactory solution, the effect on the campaign could be most unfortunate.

Chancellor Kohl said that it was his impression that a solution could be found only if the matter were taken up at the highest level. It would therefore be better to change the dates. This would be for the German Presidency to announce and they would say that the postponement was due to the British Election campaign. The Prime Minister said that, if President Mitterrand could also agree to this, it might be an attractive course. We should of course maintain throughout the Election campaign that we expected to get a reasonable solution from our European partners.

/ Chancellor Kohl



Chancellor Kohl commented that 18/19 June seemed to be the only possible alternative to the present dates. In answer to a question from the Prime Minister, he stated that he believed this was the latest possible date for the present Italian Government. The Prime Minister said that the proposed new dates did not pose diary problems for her.

As soon as the telephone conversation was over, the Prime Minister asked me to ensure that an account of it was conveyed quickly to the Foreign and Commonwealth Secretary.

As Chancellor Kohl still has to obtain the agreement of our other European partners to this proposal, and as any announcement would be for the Presidency to make, it is obviously important that the contents of this conversation are very closely guarded. I should accordingly be grateful if you, and John Kerr to whom I am copying this letter, would confine knowledge of the proposal to those who have an absolutely essential need to know of it.

A. J. COLES

Brian Fall, Esq.,  
Foreign and Commonwealth Office.



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Foreign and Commonwealth Office

London SW1A 2AH

13 May 1983

A.J.C.  $\frac{16}{5}$

f.a.

Dear John,

Telephone Call by Herr Kohl

It has now been arranged that Chancellor Kohl will telephone the Prime Minister on Monday morning before leaving for Paris for talks with President Mitterrand. Mr Munro will be available at No 10 from 1145 to act as interpreter.

The Prime Minister will want to ask the Chancellor to urge on President Mitterrand the need for an interim budget solution (contact with French officials this week suggests that current French thinking is very unyielding). I attach a note of the kind of points the Prime Minister might make to him. These also cover the possible postponement of the Stuttgart European Council, though press reports today suggest that he may have overruled Herr Genscher and have decided to stick to 6/7 June.

I am copying this letter to the Private Secretaries to the Chancellor of the Exchequer and to Sir Robert Armstrong. We will let you have on Monday morning any further advice necessary in the light of Mr Pym's Gymnich discussions over the weekend.

Yours ever

John Holmes

(J E Holmes)  
Private Secretary

A J Coles Esq  
10 Downing Street



PRIME MINISTER

CHANCELLOR KOHL

He would like to ring you at noon on Monday. May we confirm that you will take the call?

Yes

I attach a speaking note prepared by the Foreign and Commonwealth Office.

Kohl will see Mitterrand later on Monday.

Sir Jock Taylor has been told, and Kohl's office have told us separately, that it is totally untrue that the Chancellor does not understand the reasons for your problems over Stuttgart. Nor does he in the least criticise your choice of dates for the election.

(attached) The reason why he was not able to receive our Ambassador personally was that he was in his constituency yesterday and is on a private visit outside Bonn all day today. But the message you sent to him yesterday about the budget problem has been passed on to him.

We know that Genscher has been recommending postponement of Stuttgart, but there is no evidence that Kohl is disposed to agree. We have been told that he will take no decision until he has been able to <sup>speak</sup> ~~separat~~ with you. I think we need to maintain pressure on him to try to produce a budget solution this month and therefore consider that the line in the attached note is right.

We shall let you know on Monday morning what happened at the meeting of EC Foreign Ministers over the weekend.

A.J.C.

13 May 1983



POINTS FOR PRIME MINISTER TO MAKE TO CHANCELLOR KOHL ON 16 MAY

Attendance

1. Regret still not able to give you a firm answer. Depends on election campaign. Progress at May Council on budget also important: could hardly attend two days before election and come back empty-handed.

Interim Solution

2. Understand you will be seeing President Mitterrand shortly. Hope you will be able to persuade him of real need for a fair solution to be agreed at the May Council. French seem to be taking very hard line on interim solution but hope you can persuade him that a solution would be not only in our interest but that of the Community as a whole. We are doing our best to be helpful to the French both over their request for a loan of 4 billion ecu and, over the monetary arrangements to sort out their problem over your MCA.

3. As regards the solution to be agreed, I explained our position in the message I sent you at the end of last week about our plans for Gymnich. Key point which I hope you can persuade President Mitterrand to accept is that solution must be based on two-thirds formula which was basis of 30 May Agreement. Could not reasonably accept less.

4. [If raised] Can confirm that we would be willing to negotiate deduction from our basic refund in final settlement of alleged over-payment in 1980/81.

Reform of Community Financing

5. Like you we very much want to make progress on the longer term and should aim at decisions by the end of the year. But you and we should stand absolutely firm in face of arguments of those who wish to increase own resources but are unwilling to agree either to control agricultural expenditure or to deal with the problem of budget imbalances.

Postponement of Stuttgart [If raised]

6. This is of course for you to decide but I should make it clear that we are not asking for postponement and I would not want to encourage you in any way to do so.



3 MAY 1988

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6/16/83

via Master

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Dear Herr Chancellor,

PRIME MINISTER'S  
PERSONAL MESSAGE  
SERIAL No. T 6 2/B

In the message I sent you on 9 May I said that, with our election on 9 June, the question of our budget problem was now all the more critical and urgent and that I hoped we could find a solution at the Foreign Affairs Council on 24 May.

If we are to achieve this, the discussion by Foreign Ministers at Gymnich next weekend will be crucial. I thought it would be helpful if I explained to you in advance of that meeting the progress which, in our view, it will be necessary to make there.

Discussion in the Community of a detailed solution has got nowhere and we have come to the conclusion that the only way to get this moving is to table the main elements of a solution at Gymnich. I am instructing our Ambassador to let you have the details of what we shall be proposing. In essence this is that the Community should agree a solution on the same basis as those for 1980, 1981 and 1982. I very much hope that you and Herr Genscher will be able to give this your support. I can see no other basis on which we are likely to get agreement.

I know you will fully appreciate the reasons why, in the present situation, we have to make an exceptional effort to obtain a solution. I am most grateful for the special understanding you have shown in all our recent contacts.

With best wishes,

Yours sincerely,

MARGARET THATCHER



## Cabinet / Cabinet Committee Document

The following document, which was enclosed on this file, has been removed and destroyed. Such documents are the responsibility of the Cabinet Office. When released they are available in the appropriate **CAB (CABINET OFFICE) CLASSES**.

Reference: CC(83) 14<sup>th</sup> Meeting, Minute 3

Date: 28 April 1983

Signed AWayland Date 9 April 2013

**PREM Records Team**





10 DOWNING STREET

*From the Private Secretary*

25 April 1983

Anglo-German Summit

With reference to my letter of 22 April to Brian Fall, I now enclose the record of the plenary discussion which took place here on 22 April.

I am copying this letter and enclosure to John Kerr (HM Treasury), Jonathan Spencer (Department of Industry), John Rhodes (Department of Trade), Richard Mottram (Ministry of Defence), Julian West (Department of Energy), Barnaby Shaw (Department of Employment) and Richard Hatfield (Cabinet Office).

A. J. COLES

R.B. Bone, Esq.,  
Foreign and Commonwealth Office.

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RECORD OF A PLENARY DISCUSSION BETWEEN BRITISH AND FEDERAL GERMAN  
MINISTERS HELD AT 10 DOWNING STREET AT 1200 ON FRIDAY, 22 APRIL 1983

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PRESENT

The Prime Minister	H.E. Dr. Helmut Kohl
Secretary of State for Foreign and Commonwealth Affairs	H.E. Herr Hans-Dietrich Genscher Count Lambsdorff
Chancellor of the Exchequer	Dr. Stoltenberg
Secretary of State for Industry	Herr Bluem
Secretary of State for Trade	Herr Woerner
Secretary of State for Defence	Officials
Secretary of State for Energy	
Secretary of State for Employment	
Officials	

The Prime Minister said she and Chancellor Kohl had discussed the major issues including the prospects for Williamsburg, the European Council Meeting at Stuttgart and arms control and INF deployment in Europe. There were no bilateral problems between the UK and the FRG.

At the Prime Minister's invitation the Secretary of State for Foreign and Commonwealth Affairs described his talks with Herr Genscher. They had discussed, in the light of Chancellor Kohl's visit to Washington, East/West relations, INF (expressing confidence in each other's deploying as planned if necessary) and the CSCE. They had stressed the need for progress in Madrid and for Western unity to be maintained. Herr Genscher had felt that a CDE was a particularly important objective and that convening such a conference would help over INF deployment. They had also talked about Poland and other East/West matters. They hoped that the question of East/West relations would not be divisive at Williamsburg.

The Secretary of State for Foreign and Commonwealth Affairs said that he and Herr Genscher shared a similar assessment of the prospects for the Middle East. He had said that he felt the PLO had made a mistake not to work with King Hussein. Both the British  
/and the Germans



and the Germans were concerned at Israeli immobility and increased Soviet interest in the area. A number of Arab governments were becoming more relaxed about their relations with the USSR. Altogether the prospects were not encouraging.

They had also discussed:

- (i) Central America, where European influence was marginal while the interests of the United States were great. The UK and the FRG might nevertheless be able to help stabilise the situation in some relatively minor ways;
- (ii) arms for Argentina, where the Secretary of State for Foreign and Commonwealth Affairs had stressed that the Argentine position made it particularly important that Britain's friends and allies should show restraint. He had given Herr Genscher a list of the particularly sensitive items which we hoped the Germans would refuse to supply;
- (iii) Namibia;
- (iv) the Community, where the remaining difficulties over the Solemn Declaration would be examined and the Budget question remained at the forefront of their minds. He hoped for progress at the Foreign Affairs Council on 25 April and agreement at Stuttgart;
- (v) Steel, where the German view that the present regime should be prolonged raised difficulties for the UK.

The Chancellor of the Exchequer said that he and Dr. Stoltenberg had begun with Community affairs and gone on to other matters. They had expressed concern at the level of CAP spending and agreed it was important to study together means of controlling such expenditure. The Agricultural Council ought to make clear that there was no commitment to spending in 1984 which might breach the one per cent ceiling. The Stuttgart meeting should look at ways of controlling spending: the Commission had to learn  
/to live within



to live within its income. The long-term Budget solution might perhaps build on the safety net idea which merited study between officials with a view to it being endorsed at Stuttgart. He stressed the need for an interim solution for 1983. The trop paye was a matter for political negotiation. They had reached close agreement on the need to use the Williamsburg Economic Summit to put over a message of cautious optimism. The US Federal budget deficit was an issue on which it was better to adopt a helpful attitude than to attack the United States. He had stressed to Dr. Stoltenberg British hopes of progress on the insurance directive. They had agreed on the need to recognise the problems raised by protectionist pressures and for some acknowledgement at Williamsburg of the North/South problem in the light of the forthcoming UNCTAD meeting. They had also talked about world debt problems, with particular emphasis on Poland.

Count Lambsdorff said that in his talks he had covered:

- (i) Steel, where he had noted British reservations on extending the use of Article 58. He accepted that a crisis regime was unpleasant but thought there was no real alternative but to prolong it. Mr. Jenkin had pointed out the political problems that this would cause in the UK;
- (ii) Japan, where the two sides had reached the same conclusion by different routes. There was a need for caution in GATT but no need for Japan to be let off the delicate hook they were at present impaled upon. The important thing was to get them to open up their market;
- (iii) Williamsburg, where they had agreed on the need to combat US claims to extraterritoriality.

Mr. Jenkin said the discussions on steel had been useful. Count Lambsdorff had made German problems plain while he had pointed out that it was impossible for the UK to live with a completely unmodified regime. The key was to persuade our other partners of the need for a reduction in capacity. The UK and the FRG had taken  
/measures which had



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measures which had yet to be matched by others. If it were possible to secure agreement to a more structured cut within an agreed time-scale he would be able to go along with Article 58 extension, but that was a necessary condition of such agreement. He and Count Lambsdorff had also accepted that industrial collaboration was basically a matter for individual British and German firms but had been pleased to note that good partnerships were developing. He was looking forward to the arrival of a high level mission from the FRG the following week. Lastly, they had agreed that the Airbus (A320) must not be a political aircraft and that financial support from governments would have to depend on evidence that it met a real commercial need.

The Secretary of State for Trade said he had little to add to what Count Lambsdorff had said. The escalating deficit in favour of Japan was a threat to the open trading system. He quite accepted that the main objective must be to force the Japanese to open up their market. Meanwhile we should keep up the pressure in GATT but not force the issue. Secondly, he was concerned about US protectionism and the need for pressure on the United States to keep their policies in line with their public protestations. Lastly, he wanted to thank the Germans for their help in the efforts being made to liberalise services. The UK attached very considerable importance to progress on the insurance directive. In general he felt that the talks had shown how deep the sympathy between the UK and the FRG now went, a comment the Prime Minister endorsed.

The Secretary of State for Defence said his talks with Herr Woerner had been particularly valuable. He had six points to make:

- (i) They had agreed on the need for preparations for Cruise and Pershing II to go ahead in order to convince the Soviet Union of the seriousness of Western intentions but were also alive to the need not to rush the timetable lest public opinion conclude that the West was not sincere in the Geneva negotiations;

/(ii)



- (ii) he was grateful for German agreement to a Memorandum of Understanding which would enable the UK to take the lead in selling the products of certain joint ventures, especially Tornado, in sensitive areas, including Oman. He was the more grateful because he knew that German acceptance would expose them to criticism in the FRG;
- (iii) he had emphasised the sensitivity of arms sales to Argentina;
- (iv) he and Herr Woerner had expressed their concern about some issues which divided the Europeans and the Americans. US plans for a Rapid Deployment Force might, for example, pre-empt resources otherwise devoted to European defence, a possibility which needed further examination. He also felt that the recent statement by President Reagan on anti-ballistic missiles did not reflect normal consultative practice and wanted to make this clear to the Americans. So far as technological transfer and defence procurement were concerned he felt the Administration understood the European dilemma but that the European case was not always understood on the Hill. We had to keep together on this;
- (v) it had been agreed that Armaments Directors should prepare regular reports on defence equipment for Anglo-German Summits so as to bring to light opportunities for co-operation;
- (vi) both sides hoped the French would agree to reactivate the idea of British/German/French meetings which would discuss a wide range of topics and hoped to persuade M. Hernu that this was desirable.

/The Secretary of State for Energy



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The Secretary of State for Energy said the Council meeting on 21 April had made better progress on coal than he had expected thanks largely to German chairmanship. He hoped for further progress during the German Presidency, including a further Council meeting. If something concrete could be done this might help to convince those who were sceptical of the suggestion that specific Community policies could help to reduce the difficulties over the Budget. He wondered, however, what the attitude of the French might be. Secondly, he had explained that there was pressure in the United Kingdom to match subsidies given in some Community countries to produce artificially low electricity prices. The Germans apparently were phasing this practice out. He did not want an energy subsidy race. Again he wondered whether the French would change - their economic philosophy was rather different from that prevailing in the UK and the FRG. Lastly, they had discussed world oil and agreed that it would be useful to settle the energy security question before Williamsburg.

The Secretary of State for Employment said he had talked over the prospects for the Asbestos Directive which he understood presented difficulties for the FRG. He hoped for a compromise solution as all the other members of the Community seemed to be of one mind. Unemployment, especially among the young, had also been discussed, as had the Social Fund, where the British and German approaches seemed similar, and the possible Directive on part-time working where there were some differences to be reconciled.

The Prime Minister concluded that the talks had been extremely fruitful. We had agreed on the broad general objectives we should be pursuing and considered how to reach them. She thought they were the best bilateral talks in the recent series. She mentioned the problem of acid rain for the FRG and lead in petrol for the UK. Dr. Kohl said it was a good sign that the reports which had been presented were so much to the point. In his experience when things were going wrong more words were used. In general he felt that the progress achieved in Europe over the years had been remarkable. If one compared what had happened at this meeting with what might have seemed possible 20 years ago, one would recognise

/what had been



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what had been achieved. It was in this general context that the Solemn Declaration was important. He knew we were still in an electoral period. He wanted the Prime Minister to know that he had appreciated her support during the same period in the FRG and that he felt her success would also be that of his Government. Political leaders had to keep the long-term view in mind. He was encouraged by the progress over the years. The Prime Minister said they would be able to give a positive message to the press conference after lunch.

A.S.C.

22 April 1983



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Foreign and Commonwealth Office

London SW1A 2AH

25 April, 1983

*Type pl.*

*A.J.C. 27/4*

*Dear Sir,*

/ I enclose a draft record of the Plenary meeting of the Anglo-German Summit on 22 April.

*Yours ever*

*John Holmes*

(J E Holmes)  
Private Secretary

A J Coles Esq  
Private Secretary  
10 Downing Street

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~~DRAFT~~ RECORD OF A PLENARY DISCUSSION BETWEEN BRITISH AND  
FEDERAL GERMAN MINISTERS HELD AT 10 DOWNING STREET  
AT 1200 ON FRIDAY 22 APRIL 1983

Present

The Prime Minister	Chancellor Kohl
Secretary of State for Foreign and Commonwealth Affairs	Herr Genscher Count Lambsdorff
Chancellor of the Exchequer	Dr Stoltenberg
Secretary of State for Industry	Herr Bluemhordt Herr Woerner
Secretary of State for Trade	<del>Dr Ruhfus</del>
Secretary of State for Defence	<del>And other</del> officials
Secretary of State for Energy	
Secretary of State for Employment	
<del>Sir J Taylor KCMG</del>	
<del>Sir J Bullard KCMG</del>	
<del>And other</del> officials	

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1. The Prime Minister said she and Chancellor Kohl had discussed the major issues including the prospects for Williamsburg, the <sup>European</sup> ~~Stuttgart~~ Council meeting <sup>at Stuttgart</sup> and arms control and INF deployment in Europe. There were no bilateral problems between the UK and the FRG.
2. At the Prime Minister's invitation the Secretary of State for Foreign and Commonwealth Affairs described his talks with Herr Genscher. They had discussed, in the light of Chancellor Kohl's visit to Washington, East/West relations, INF (expressing confidence in each other's deploying as planned if necessary) and the CSCE. They <sup>had</sup> stressed the need for progress in Madrid and for Western unity to be maintained. Herr Genscher had felt that a CDE was a particularly important objective and that convening such a conference would help over INF deployment. They had also talked about Poland and other East/West matters. They hoped that the question of East/West relations would not be divisive at Williamsburg.
3. Mr Pym said that he and Herr Genscher shared a similar assessment of the prospects for the Middle East. He had said that he felt the PLO had made a mistake not to work with King Hussein. Both/British and the Germans were ~~are~~ concerned at Israeli immobility and increased Soviet interest in the area. A number of Arab governments were becoming more relaxed about their relations with the USSR. Altogether the prospects were not encouraging.
4. The ~~two men~~ had also discussed:
  - (i) Central America, where European <sup>influences were</sup> ~~influences were~~ <sub>/marginal</sub>



marginal while <sup>the interests</sup> ~~that~~ of the United States <sup>were</sup> ~~was~~ great.

The UK and the FRG might nevertheless be able to <sup>help</sup> stabilise the situation in some relatively minor ways;

(ii) Arms for Argentina, where Mr Pym had stressed that the Argentine position made it particularly important that Britain's friends and allies should show restraint.

He had given Herr Genscher a list of the particularly sensitive items <sup>which we</sup> ~~the British would~~ <sup>hoped the Germans would refuse</sup> ~~find~~ especially <sup>to supply:</sup> troublesome.

(iii) <sup>Namibia;</sup> ~~Diyaa;~~

(iv) The Community, where the remaining difficulties over the Solemn Declaration would be examined and the Budget question remained at the forefront of their minds. He hoped for progress at the Foreign Affairs Council on 25 April and agreement at Stuttgart;

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5. The Chancellor of the Exchequer said <sup>that</sup> ~~he~~ and Dr Stoltenberg had begun with Community affairs and gone on to other matters. They had expressed concern at the level of CAP spending and agreed it was important to study together means of controlling such expenditure. The Agricultural Council ought to make clear <sup>that</sup> ~~there~~ was no commitment to spending in 1984 which might ~~breach~~ <sup>breach</sup> the 1% ceiling. The Stuttgart meeting should look at ways of controlling spending: the Commission had to learn to live within its income. The long-term Budget solution might perhaps build on the safety net idea which merited study between officials with a view to it being endorsed



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6. Count Lambsdorff said that in his talks he had covered:

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upon. The important thing was to get them to open up their market;

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7. Mr Jenkin said the discussions on steel had been useful. Count Lambsdorff had made German problems plain while he had pointed out that it was impossible for the UK to live with a completely unmodified regime. The key was to persuade our <sup>the</sup> partners of the need for a reduction in capacity. The UK and the FRG had taken measures which had yet to be matched by others. If it were possible to secure agreement to a more structured cut within an agreed time-scale he would be able to go along with Article 58 extension, but that was a necessary condition of such agreement. He and Count Lambsdorff had also accepted that industrial collaboration was basically a matter for individual British and German firms but had been pleased to note that good partnerships were developing. He was looking forward to the arrival of a high level mission from the FRG the following week. Lastly, they had agreed that the Airbus (A320) must not be a political aircraft and that financial support from governments would have to depend on evidence that it met a real commercial need.

8. The Secretary of State for Trade said he had little to add to what Count Lambsdorff had said. The escalating deficit in favour of Japan was a threat to the open trade <sup>ing</sup> system. He quite accepted that the

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main objective must be to force the Japanese to open up their market. Meanwhile we should keep up the pressure in GATT but not force the issue. Secondly, he was concerned about US protectionism and the need for pressure on the United States to keep their policies in line with their public protestations. Lastly, he wanted to thank the Germans for their help in the efforts being made to liberalise services. The UK attached very considerable importance to progress on the insurance directive. In general he felt that the talks had shown how deep the sympathy between the UK and the FRG now went, a comment the Prime Minister endorsed.

9. The Secretary of State for Defence said his talks with Herr Woerner had been particularly valuable. He had 6 points to make:

(i) They had agreed on the need for preparations for Cruise and Pershing II to go ahead in order to convince the Soviet Union of the seriousness of Western intentions but were also alive to the need not to rush the timetable lest public opinion conclude the West was not sincere in the Geneva negotiations;

(ii) He was grateful for German agreement to a Memorandum of Understanding which would enable the UK to take the lead in selling the products of certain joint ventures, especially Tornado, in sensitive areas, including Oman. He was the more grateful because

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/he



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he knew that German acceptance would expose them to criticism in the FRG;

(iii) He had emphasised the sensitivity of arms sales to Argentina;

(iv) He and Herr Woerner had <sup>expressed their</sup> shared concern about ~~the effect of some~~ issues which divided the Europeans and the Americans. US plans for a Rapid Deployment Force might, for example, preempt resources otherwise devoted to European defence, a possibility which needed further examination. He also felt that the recent statement by President Reagan on anti-ballistic missiles did not reflect normal consultative practice and wanted to make this clear to the Americans. So far as <sup>logical</sup> technical transfer and defence <sup>substance</sup> programmes were concerned he felt the Administration understood the European dilemma but that the European case was not always understood on the Hill. We had to keep together on this;

(v) It had been agreed that <sup>Armaments</sup> Arms Directors should prepare regular reports on defence equipment <sup>for</sup> to ~~brief~~ Anglo-German Summits <sup>so as to bring to light</sup> on ~~increasing~~ opportunities for cooperation;

(vi) Both sides hoped the French would agree to reactivate the idea of British/German/French meetings which would discuss a wide range of topics and hoped to persuade M. Herpin that this was desirable.

10. The Secretary of State for Energy said the Council <sup>made</sup> meeting on 21 April had / better progress on coal than he had expected thanks largely to German chairmanship.

/He

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He hoped for further progress during the German Presidency, including a further Council meeting. If something concrete could be done this might help to convince those who were sceptical of the suggestion that specific Community policies could help to reduce the difficulties over the Budget. He wondered, however, what the attitude of the French might be. Secondly, he had explained <sup>that</sup> there was pressure in the United Kingdom to match subsidies given in some Community countries to produce artificially low electricity prices. The Germans apparently were phasing this practice out. He did not want an energy subsidy race. Again he wondered whether the French would change - their economic philosophy was rather different from that prevailing in the UK and the FRG. Lastly, <sup>they</sup> ~~they~~ had discussed world oil and agreed <sup>with that</sup> it would be useful to settle the energy security question before Williamsburg.

11. The Secretary of State for Employment said he had <sup>talked over</sup> ~~discussed~~ the prospects for the <sup>A</sup> asbestos <sup>D</sup> directive which he understood presented difficulties <sup>for</sup> ~~to~~ the FRG. He hoped for a compromise solution as all the other members of the Community seemed to be of one mind. Unemployment, especially among the young, had also been discussed, as had the Social Fund, where the British and German approaches seem <sup>ed</sup> similar, and the possible <sup>D</sup> directive on part-time working where there were some differences to be reconciled.



12. The Prime Minister concluded that the talks had been extremely fruitful. <sup>He</sup> ~~They~~ had agreed on the broad general objectives we should be pursuing and considered how to reach them. She thought they were the best bilateral talks ~~they had had~~ in their recent series. She mentioned the problem of acid rain for the FRG and lead in petrol for the UK.

Dr Kohl said it was a good sign that the reports which had been presented were so much to the point. In his experience when things were going wrong more words were used. In general he felt ~~it was remarkable~~ <sup>that the</sup> ~~what progress had been~~ achieved in Europe over the years. <sup>had been remarkable.</sup> If one compared what had happened at this meeting with what might have seemed possible 20 years ago, one would recognise what had been achieved.

It was in this general context ~~he thought~~ <sup>that</sup> the Solemn Declaration was important. He knew we were still in an electoral period. He wanted the Prime Minister to know that he had appreciated her support during the same period in the FRG and that he felt her success would also be that of his Government. Political leaders had to keep the long-term view in mind. He was encouraged by the progress over the years. The Prime Minister said they would be able to give <sup>a positive</sup> ~~an encouraging~~ message ~~to~~ <sup>to</sup> their press conference after lunch.

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NOTE FOR THE RECORDRECORD OF A MEETING BETWEEN THE DEFENCE SECRETARY AND  
DR MANFRED WOERNER ON FRIDAY 22ND APRIL AT 10a.m.Present:

The Rt Hon Michael Heseltine MP  
Secretary of State for Defence\*

Dr Manfred Woerner  
German Minister of Defence\*

Mr Clive Whitmore  
Permanent Under Secretary of State

Dr L Ruehl  
State Secretary

Air Chief Marshal Sir Douglas Lowe  
Chief of Defence Procurement

Dr H Ruehle  
Director, Planning Staff

Mr J N H Blelloch  
Deputy Under Secretary (Policy and  
Programmes)

Major General P Tandecki  
Vice Chief of Defence Staff  
for Politico-Military Affairs

Rear Admiral J J R Oswald  
Assistant Chief of Defence Staff  
(Programmes)

Colonel J Schoenbohm  
PSO to the Minister

(From the Embassy)

Mr N J Beaumont  
Head of Defence Secretariat 12

Rear Admiral Dr K Fischer  
Defence Attache

Mr R C Mottram  
Private Secretary/Secretary of  
State\*

\* Present for tête-à-tête discussion

Sale of Tornado Aircraft

1. The Secretary of State asked where matters stood on the sale of Tornado aircraft. Dr Woerner said that, at a meeting of the Federal Security Council held earlier in the week, it had been agreed that the proposed MOU on defence sales should be accepted and applied to the Tornado. Once the MOU was in force the British Government





could apply under its terms to sell Tornado to Oman. While the Government of the Federal Republic was likely to ask for certain conditions to be observed in such a sale, he was confident that it would be agreed. The Secretary of State said that he was most grateful to Dr Woerner for his assistance over this.

#### Spanish Membership of NATO

2. Dr Woerner said that he would be meeting within a few weeks his Spanish opposite number, and before doing so he would like to know the British attitude to Spanish membership of NATO. The Secretary of State said that Britain supported Spanish membership of the Alliance in view of the substantial forces she could contribute. There had been recent Spanish objections to Exercise SPRING TRAIN but the exercise was a routine one and the objections were probably for domestic consumption.

#### Franco-German Co-operation

3. Dr Woerner referred to the announcement of the five-year plan for the French defence programme on which M. Hernu had been in touch with him. Although there would be cuts in French conventional forces, he had been assured that French forces in Germany would not be affected and there were indeed signs of an increasing French willingness to participate in NATO's strategy of flexible response. The Secretary of State commented that he hoped that tri-lateral co-operation could be developed more. He understood that there had been a practice of tri-lateral Ministerial meetings but that there had been a long gap since the last one with the initiative with M. Hernu to convene the next meeting. It might be possible to develop tri-national collaboration over, for example, a future combat aircraft on which we had launched our experimental aircraft programme. Dr Woerner said that he was not aware of the arrangements for tri-lateral meetings but he would certainly be happy to attend them. It would be important to avoid offending other smaller NATO countries. He would raise the matter with M. Hernu when they met on 16th/17th May. If equipment collaboration was to be pursued the important point was to be clear in advance that countries had a common operational requirement. In the case of the combat aircraft, Germany's requirement was for an air superiority fighter and they could not afford providing for other roles except in a marginal way. It was crucial to keep the cost of the project down but he was willing to co-operate with anyone as long as the programme was not over-complicated.

#### Arms Sales to Argentina

4. The Secretary of State said that he wanted to have a private word about the problem of arms sales to Argentina which was a matter of continuing concern to the British Government. He referred to a particular item which Dr Woerner agreed to investigate. He also handed over a list of specific categories of equipment which we regarded as sensitive.\* Dr Woerner noted this and asked if the British

\* attached





Government was taking a similar line with the French over the question of arms sales to Argentina. The Secretary of State said that we had indeed been in close touch with the French Government during the Falklands war and they were well aware of our concern over this matter.

5. The tête-à-tête discussion ended at 1030 a.m.

6. Opening the plenary session, the Secretary of State said that it was a tribute to close UK/German defence relations that there were no major issues between us. It was gratifying to learn that Germany could now agree to an MOU to cover not only future overseas sales of collaborative projects, but also current sales. This would help very much in respect of Tornado sales, and hopefully officials could finalise the MOU very quickly, so that it would provide the basis for UK/German discussions on specific sales.

#### UK/German/French Trilateral

7. The Secretary of State said that he and Dr Woerner agreed that an early tri-lateral meeting with M. Hernu was desirable. Dr Woerner explained that he would raise this when he saw M. Hernu in mid-May and explain that Mr Heseltine would also welcome such a meeting. He agreed that the meeting could usefully extend beyond equipment cooperation subjects, and he would also raise this possibility with M. Hernu.

#### Two-Way Street

8. Dr Woerner said that he was very unhappy with the continuing restrictions caused by the Specialty Metal clause. He understood the US Administration was attempting to secure a compromise solution, but there could be no certainty that the Senate and Congress would agree to it. His Government was therefore working hard to convince appropriate senators and congressmen, and he hoped the UK would make similar efforts. Sir Douglas Lowe noted that Mr Pattie had pressed this issue very strongly during his visit to the United States and had been in touch by telephone with Mr Addabo. Dr Woerner said the restriction was very damaging: he had threatened Mr Weinberger that Germany would buy only European in future, although there were some areas where this was in fact impossible. The Secretary of State said he was to visit the US in mid-May and would certainly pursue this issue with Mr Weinberger and those involved in Congress. He would also be raising the restrictions on British-owned US firms from bidding for American defence contracts.

#### US Rapid Deployment Force

9. Dr Woerner said that he was concerned about the work in NATO on the implications for the Alliance of the US Rapid Deployment Force. The Americans had prevailed upon their allies at the December 1982





Defence Planning Committee meeting to accept more strongly binding communique language. But now they were producing many ideas and demands that went much further than Germany could accept. The Secretary of State said that Britain accepted the importance of threats to Western security beyond the NATO area, but the major difficulty was how to compensate for a seven division draw-down in US forces in Europe. Mr Whitmore noted that we were still very unclear as to what the US Government had in mind. They were very slow in providing information.

10. Dr Woerner expressed concern at the slow progress of the NMA's "Impact Study". General Tandecki noted the NATO Military Authorities and the allies' wish to consider a range of RDF options, but the US had resisted this. Nor had there been any thorough analysis of the out of area threat. But the US would continue to kick at a NATO process which they regarded as too slow. Mr Blelloch agreed that the Americans would continue to press for European support because they wanted Congressional approval to fund the seven division RDF plan, and needed to demonstrate their allies' solidarity. Dr Woerner identified two dangers - that the US would over-estimate European capabilities to compensate for the RDF draw-down (a possible requirement for an additional 70,000 personnel in the German case); and that the US would neglect the European dimension in possible out of area crises. In the event of a crisis in say the Middle East, there would most likely be a rise in tension in Europe, and the diversion of US forces out of area could greatly increase the Soviet threat in Europe. There must be a careful analysis of scenarios.

11. The Secretary of State referred to the possible divisiveness of this issue within the Alliance. From a US viewpoint it was right to ask what Europe would do in a Middle East crisis that affected her at least as much as the US. Dr Woerner agreed. Mr Whitmore noted that the US took the view that we were more dependent on oil supplies than they were but unfortunately the US had not felt able to engage the allies in discussion of scenarios, and had apparently formed their RDF plans first and then their rationale. No detailed analysis of scenarios was available. The Secretary of State said that we would be pursuing these issues at politico-military talks next month and in his meeting with Mr Weinberger. The British and German Governments should keep in close touch.

#### INF Deployment

12. The Secretary of State said that the British Government remained firmly committed to the INF deployment programme but was in close touch with the US Government over the timing of the arrival of individual equipment items. Dr Woerner said the German position was the same. In his view, the Russians would not move on arms control until the 11th hour and would continue to test the West's resolve. He thought deployment would have to go ahead. Germany was interested in serious arms control negotiations, but the West must not change its position again. We must stand firm on President Reagan's proposed interim agreement. He had no objection to the US





proposing numbers at the negotiating table, but did not want any new formula to be produced publicly.

13. The Secretary of State said that there had been a debate within the British Government about whether figures should have been included in the Reagan proposal. He was inclined to agree with Dr Woerner's view. He wondered whether, if he were a Russian, he would be willing to negotiate separately on INF? Dr Woerner replied that he would negotiate on as many fronts as possible, pressing on with negotiations and deployments, and keeping the categories separate. By pursuing separate negotiations the Russians had a chance to split the West. General Tandecki commented that if the Soviets were to change their objective now, it would weaken their position.

14. Dr Woerner said that his Government rejected Soviet attempts to include French and UK systems in the INF negotiations. In June 1980 the Russians had told Chancellor Schmidt they would not insist on this point - now they had changed their position for tactical reasons. The Secretary of State stressed that UK systems must be excluded, and he had made this clear in an interview recorded for German television the previous day.

15. Dr Woerner referred to the importance of INF deployment in the UK and Germany keeping in step and not appearing to pre-empt arms control possibilities. Mr Blelloch said that it had earlier been agreed to manage deployment timings both to take account of domestic political considerations and to reflect German concerns. If the domestic political constraint no longer applied, this would not affect the plan for a slow build-up of deployment towards the end of 1983 that would not pre-empt the arms control negotiations. The Secretary of State said that no sensitive or emotive equipments would arrive until towards the end of the year.

16. The Secretary of State referred to the recent press visit to Greenham Common. Dr Woerner said that the German Government did not confirm or deny their INF sites. At first he had favoured publicity, but now he was against it. Nuclear weapons sites were so numerous in Germany - more than 100 - and to confirm one must increase pressure to divulge more, possibly including Chemical Weapon sites. It would only whet the appetite of the anti-nuclear movement. But those who wanted to find out the locations could do so easily. The Secretary of State commented that in Britain there was constant interest in the number of US bases. The local population at Greenham Common was only concerned to get rid of the demonstrators. Mr Whitmore commented that we too did not confirm or deny the presence of nuclear weapons at a particular site.

#### Ballistic Missile Defence

17. The Secretary of State said that President Reagan's "Star Wars" speech was clearly aimed at an American domestic audience and the impact on informed European public opinion had been completely





overlooked. The absence of consultation in advance of the statement was most damaging, since it cast doubt on our line that the US will consult its allies in an emergency. Dr Woerner said he had to defend the INF deployment on the grounds that NATO's defence strategy rested on the ultimate threat of nuclear retaliation. It was not helpful for the US President now to say that this strategy was not moral!

#### Equipment Collaboration

18. The Secretary of State suggested that the armaments directors should provide a report on equipment collaboration prior to each summit meeting to provide a focus for Ministerial discussion. Dr Woerner said he would not object to this but he believed that the important prior step was to establish a shared need before attention was focussed on a particular equipment. He had learned this lesson from the Franco/German tank project. Franco/German co-operation arrangements now included a group to examine requirements for subsequent Ministerial consideration. Sir Douglas Lowe said that he envisaged a pragmatic approach; the objective would be to ensure that equipment issues were more closely considered at the political level.

19. The Secretary of State suggested that future combat aircraft were a case in point. Evidently Germany was interested, but not in anything like another Tornado; France was interested; and there might be the possibility of a genuine European venture. Dr Woerner said that this was certainly a subject for discussion with the French, though M. Hernu's options must be restricted, following the reductions in French conventional programmes.

Ministry of Defence

26th April 1983

*Rcm.*



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Special Forces' equipment

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GERMANY Chancellor Kohl's Visit  
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*MS SUBJECT*

*cc Mates*

S E C R E T



*file VC 4  
Germany*

10 DOWNING STREET

*From the Private Secretary*

22 April 1983

*Dear Brian,*

ANGLO/GERMAN SUMMIT

I enclose:

- (a) My record of the tete-a-tete conversation between the Prime Minister and Chancellor Kohl at 0900 hours today.
- (b) Robin Butler's record of the conversation when the two Foreign Ministers joined the Heads of Government at 1030.

The record of the plenary session will follow separately.

I should be grateful if the two records referred to above are not copied outside Private Offices except where this is essential for operational reasons.

I am copying this letter and enclosures to John Kerr (HM Treasury), Richard Mottram (Ministry of Defence), John Rhodes (Department of Trade), Robert Lawson (MAFF) and Richard Hatfield (Cabinet Office).

*Yours ever*

*John Cole*

Brian Fall, Esq.,  
Foreign and Commonwealth Office.

S E C R E T



RECORD OF CONVERSATION BETWEEN THE PRIME MINISTER AND THE CHANCELLOR  
OF THE FEDERAL REPUBLIC OF GERMANY AT 0900 HOURS ON FRIDAY, 22 APRIL,  
1983 AT 10 DOWNING STREET

Present:

Prime Minister  
Mr. Coles  
Interpreter

Chancellor Kohl  
Dr. Zeller  
Interpreter

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The Prime Minister said that she would like to raise at the outset two questions of defence sales. She understood that the German Cabinet had taken a decision about Torpedo for Oman. This was most welcome. It was important to help Oman and this order could bring substantial benefits to both the United Kingdom and Germany. Chancellor Kohl said that those were the factors which had underlain the German decision. On the general question of arms sales Germany was the victim of past history. It had no ambition to become the arms workshop of the world and he did not propose to compete with President Mitterrand in arms exports but the maintenance of a modern army required the existence of a domestic arms industry and large scale production depended to some extent on exports. So Germany had abandoned its earlier restrictions but its future approach would be a middle-of-the-road one. The Oman decision was an example. He had told his Cabinet that there was no point in having difficulty with Mrs. Thatcher about this question, particularly when she was in the right. If other similar cases arose, he suggested that he and the Prime Minister should discuss them personally.

The Prime Minister then raised a particular question affecting possible German arms exports to Argentina. The details are recorded separately.

Chancellor Kohl said that he had a specific issue to raise which was not of great importance but which could be

/embarrassing.



embarrassing. He understood that the Foreign and Commonwealth Office had been preparing leaflets about evacuation measures for British civilians in Germany in emergency situations. There was apparently a plan to issue these leaflets during the next month. His difficulty was that if the leaflets reached the German press, the Left would exploit them in the current debate about the deployment of nuclear weapons. He had no doubt that what was in hand was a purely routine exercise but the matter could become embarrassing for him. He had heard about all this from people in the German armed forces who worked closely with our own armed forces.

The Prime Minister said that she would make enquiries immediately. She understood the sensitivity of the matter.

Chancellor Kohl said that the French Government had recently taken a good number of interesting decisions on defence policy which were of considerable importance for Germany and the United Kingdom. Mitterrand was far sounder on these matters than Giscard had been. Over the next five years France proposed to reduce the strength of its army by 30,000 men. This would be achieved by natural wastage. But the important point was that a separate decision had been taken not to reduce the French military presence in Germany. France now wanted to take part in forward defence. Its previous policy, based on Gaullist philosophy, was to defend France along the Rhine - the role of the French military in Germany had been seen exclusively in terms of the defence of France. But in future, French troops would take part in manoeuvres across the Rhine. Units would be trained so that they could move fast and at short notice. Only two divisions were involved, but the change of principle was fundamental.

These developments would strengthen his position in the debate with the SPD who, with regard to the Geneva INF talks, had now adopted completely the Soviet position that the British and French strategic deterrents should be included. His position on this matter was the opposite and he had great confidence in the American attitude. The Prime Minister commented that it was in the interest of the whole of Europe that there should be three



strategic deterrents - the American, the British and the French. The Americans had been very staunch on the question of the United Kingdom deterrent. Chancellor Kohl agreed but commented that American understanding of European attitudes was sometimes less than perfect.

The Prime Minister said that she was very concerned about the anti-American campaign which had developed over the stationing of Cruise and Pershing missiles. The campaign was as much anti-American as anti-nuclear. That was why the issue of control of nuclear weapons had arisen in such sharp form in Britain. There was a political need to proclaim the American generosity towards Europe in aid and defence matters over the years. This was made less easy by the growing protectionist attitudes in the US Congress.

Chancellor Kohl commented that the latter point was very important. Britain and Germany were the countries which were best placed to do something about it. Anti-Americanism in Germany went wider than the anti-nuclear movement. In Germany there had been an historical antagonism between those who were oriented to the West and those who were oriented to the East. There had always been a strand of opinion in Germany which believed that the sun rose in the East, metaphorically as well as literally. Egon Bahr was a prime example of this trend of thought. He was not an agent of Moscow, as some propaganda implied. But he was convinced that the West was on the decline and that the East was vigorous. People who thought in this way now saw the United States as the epitome of a decadent West and therefore preached anti-American ideas. But the European debt to the United States was enormous. He recalled that at the end of the War his own home town was 80 per cent destroyed and people were starving. It was the Americans who had moved in <sup>with</sup> food parcels and other aid. He had met his wife at dancing classes - when she had worn an American dress and he an American suit. The Marshall Plan had brought European recovery and since those days some five million American families had lived in Europe. It was wrong to expect the Americans to be policemen of the world and at the same time publicly



abuse them.

But on the other hand we should not overestimate the Americans. The average United States Senator and Congressman knew as much about Germany as the average member of the Bundestag did about America - and that was almost nothing. The United States was not a country but a continent. As well as looking East to Europe, it looked West to the Pacific coast and South to Central America. Washington was a very different world from Bonn and Paris.

The Americans could give an impression of being naive but in their insistence on human rights they stood up for a great tradition which brought immense benefits to Europe. The American principles were good; they were ours, too. But we had allowed dust to gather on them.

The Prime Minister said that she was convinced that at Williamsburg we must cement and regenerate the American/European alliance for the whole world to see. It was astonishing that there should be so much criticism of a country that was rooted ~~to~~ <sup>in</sup> freedom. Chancellor Kohl said that he agreed entirely with these points.

The Prime Minister said that we somehow had to reconcile this need with the need to deal with outstanding US/European disputes. She understood that in his talks with President Reagan Chancellor Kohl had secured American agreement that the discussion of East/West economic relations at Williamsburg would be submerged in the more general economic discussions. The more progress that could be made at COCOM and in other fora before then, the easier this would be.

Chancellor Kohl said that Williamsburg must avoid the mistakes of Versailles. It must proclaim a message to the world at a critical time. The alliance must be seen to be

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alive and strong. It must show that, despite particular problems, it had the will for a common effort. And it must display this with regard to relations with the Soviet Union. If the alliance were seen as safe and sure, it would have great attractions. The Williamsburg agenda must permit real discussion and not be dominated by the need to draft a Communique. He had told President Reagan that he was completely opposed to a major debate on East/West economic relations at Williamsburg. Instead, he had suggested that a short report should be adopted without discussion which described the state of ongoing studies on East/West economic relations and embodied a decision to settle outstanding questions by the end of the year. By that time we would know more about the outset of the INF talks and the CSCE discussions. So had Mitterrand and Fanfani, whom he had since contacted by telephone.

Then it would be necessary to discuss "family problems" frankly. Europe could not have a trade war with the United States.

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If there were disputes between Europe and the United States, there were also European/Japanese problems. There was now a growing debate in Germany about the implications for Japan of the INF negotiations. Our position was that the SS20s must be scrapped. But Japan was worried that the Soviet Union would merely move them to the Far East. It was strange that Europe and the United States bore so much of the defence burden but Japan bore so little. The Prime Minister commented that the adoption by Japan of defence policies similar to those of European countries would be a very major change. It was perhaps best that Japan should stick to its traditional approach of defending its own shores. The cultural gap between ourselves and the Japanese was enormous. Although she would not say so more widely, the cruelties of the Japanese in the last war were particularly horrifying. There were many in the United States and the United Kingdom who feared that such characteristics still remained. Chancellor Kohl said that he understood these points but still felt that Japan should take upon itself more responsibility in the defence field. While European expenditure on defence increased, the Japanese spent similar sums on civil technology.

Reverting to Williamsburg, the Prime Minister said that she thought that she and Chancellor Kohl had reached agreement on two points - first that the fundamental soundness of the Alliance should be stressed; secondly, within that framework we owed it to each other to exchange judgments about world affairs and should therefore discuss our problems. But what did President Reagan want on East/West relations apart from trade? The INF discussions would not be likely to make progress until after elections in the United Kingdom.

/Chancellor Kohl



Chancellor Kohl said that President Reagan was, first and foremost, looking for a successful conference. He was convinced that Reagan would run again for President. The image of Reagan in Europe was wrong and malicious. He was not an intellectual but he had a very clear mind and was a genuine product of American culture and history. His view of basic principles was unsullied. He was anchored in religion and strengthened by his wife. He had the problems of all parents nowadays - his own daughter was taking part in demonstrations against American policy on nuclear issues. He had seen President Reagan four times in the last two years. On each occasion he seemed to be more involved in the vital questions of peace and freedom. Some Europeans thought him naive. But the same naivety had made Truman do the right thing by instinct. Europeans, brought up on Machiavellian principles, found it hard to understand Reagan. At Williamsburg, we should help him to present himself in his own way. Reagan understood that, to achieve success, he must work with the Europeans. He (Kohl) had explained to Reagan that Europe was not a unity. The Americans must always respect French "gloire". There was no point in fussing about it - you could not change the weather either.

The Williamsburg participants, Japan apart, were sound on INF deployment. Even if the Italian Government fell, Fanfani would be the caretaker Prime Minister. The proposal he had put forward (see above) would solve the difficulties about discussion of East/West economic relations. Then at a later stage, when INF deployment had gone ahead, the sensitive issues of East/West trade would have to be dealt with at the level of Heads of Government. The United States' position on agricultural exports was intolerable and would have to be discussed. There would also have to be consideration of North/South questions, in particular the disastrous financial situation in a number of developing countries.

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He had read in this morning's Times a report that France was to propose at Williamsburg a new Bretton Woods agreement. It was doubtful whether much would come of that. The Prime Minister agreed. France, who had more difficulty than anyone in remaining within the EMS, was the last country to propose a new Bretton Woods. It was dangerous to float such ideas without full thought but we had not heard officially about this proposal from France. We should not take it seriously until we did.

Chancellor Kohl said that President Reagan's "Star Wars" speech was another example of an inadequately prepared initiative. The proposal for a new system of defence had come at a very difficult time for him when he was trying to convince the Germans of the need to deploy INF weapons. The Prime Minister said that President Reagan's ideas about defensive technology were for a distant future. She repeated that she suspected that the Russians would not negotiate seriously at Geneva until the British elections were over. She did not know when these would be. But we and Germany were agreed on the time-table of deployment. Cruise missiles would not arrive in the United Kingdom until November. And there would be no off-base deployment for training purposes until 1984. Chancellor Kohl said that we must stick to our timing. The Italians would be with us. There would probably be elections in Italy before the summer holidays but the next Prime Minister would be another Christian Democrat and there would be no change in deployment policy. The international situation would become more critical from July onwards. Until the summer break in the Geneva negotiations, the Soviet Union would offer carrots but thereafter it would be the policy of the stick. He himself would be the guinea-pig. He expected to go to Moscow in

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the first week of July. He would like to discuss his visit with the Prime Minister shortly before he went. He would be very happy to visit London for a few hours for that purpose and would also wish to see the Prime Minister after the Moscow visit. It was very important that the French, German and British positions should be co-ordinated before he went to Moscow. He was very clear in his own mind about the position he would adopt in Moscow. He would stick to the agreed timing for deployment, make plain his readiness for an interim solution and refuse to be blackmailed. He was sure that the Russians would show flexibility at a later stage, perhaps when the first Pershing was deployed. He doubted whether much would happen before then.

Interestingly, the Rumanian Foreign Minister had earlier said that a meeting of Warsaw Pact Foreign Ministers would endorse Gromyko's negative response to the United States proposals on INF. But that had not occurred. Furthermore, when he had recently spoken to Honecker about the recent incident concerning a West German held by the East German police, Honecker's reaction had been comparatively mild. He had shown a clear interest in a solution at Geneva. The conclusion to be drawn from all this was that we were still in the "carrot", rather than the "stick" period.

The Prime Minister commented that the Soviet proposals on INF did not so far contain many carrots. They were already threatening to match the deployment of Cruise and Pershing with new deployments.

Chancellor Kohl said that the German Democratic Republic, like other Eastern European countries, was in a parlous economic and financial situation. They had no interest in bad East/West relations. The Prime Minister said that she had been interested to hear recently that Hungary appeared to have suspended further steps to implement its

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new economic policy because of its nervousness about the situation in Moscow. So she could understand Eastern European fears that the current East/West situation might lead to a tightening of Soviet control. On the other hand, Andropov would surely be concerned that attempts to tighten links with the satellites would provoke more Polands.

Chancellor Kohl said that the Soviet Union was at present devoting enormous effort to the deployment of SS 20s. Their purpose was to reach the highest possible ceiling so that negotiations could start from that point.

The Prime Minister said that she and the Chancellor had agreed that this was a critical year for international developments. It was vital that we obtained a solution to the UK budget problem by June. There must be no back-sliding by the Commission or anyone else. The matter had to be settled at Stuttgart. Otherwise, political necessity might require her to withhold. We wanted to avoid this and instead to argue publicly that our last problem with the European Community had been solved. We must have by June an agreement with figures. The German Chancellor was our great hope. We would get nowhere with the Greeks. It mattered to her more than anything else that the European democracies should stick together. The last thing she wished to do was to provoke crises with the European Community.

The problem was made ~~the~~ much more difficult by the Community's spending on agriculture. The Commission's proposals for the current CAP price fixing must not be raised. Recent figures suggested that agricultural expenditure would practically exhaust the Community's resources and not leave room for our budget refunds. Present trends were contrary to the earlier agreement between the UK and Germany that the agriculture budget should take up a diminishing portion of resources. We had been most grateful for the Chancellor's help at the Brussels European Council. Further help was absolutely critical.

/ Chancellor Kohl



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Chancellor Kohl said that he would do what he could within his possibilities. His basic interest was that the Prime Minister should win her next election. Possible ways of solving the budget problem could be discussed when Foreign Ministers joined the conversation. It would be necessary to take account of the attitude of the European Parliament. The fact that the Parliament would be re-elected next year had its relevance. He had recently told the Danish Prime Minister that it was not reasonable for some countries simply to collect money from Europe - they had to give as well. He thoroughly understood the Prime Minister's situation. Ways and means must be found. The Prime Minister reiterated that a settlement at Stuttgart was absolutely vital.

The discussion ended at 1030.

A.J.C.

22 April 1983



SUBJECT  
cc Martin

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ANGLO/GERMAN SUMMIT

Meeting of Heads of Government and Foreign Ministers  
On Friday 22 April 1983 At No. 10 Downing Street  
At 1030 Hours

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PRESENT

Prime Minister	H.E. Herr Dr. Helmut Kohl
Secretary of State for Foreign and Commonwealth Affairs	H.E. Herr Hans-Dietrich Genscher H.E. Dr. Jurgen Ruhfus
Sir Jock Taylor	
Mr. F. E. R. Butler	

Interpreters

European Community Budget

The Prime Minister said that the problem of the Community Budget had to be solved before the end of the German Presidency. The British Government were grateful for Chancellor Kohl's handling of this issue at the European Council in Brussels. The Communique could only be interpreted as meaning that longer term proposals and an interim solution for 1983 would be discussed by the Foreign Affairs Council and reported to the Heads of Government Meeting at Stuttgart; and that figures/<sup>for 1983</sup>would be inserted in the draft 1984 Budget. It was doubly critical that the agreement in the Brussels Communique should be implemented. First, she did not yet know when a General Election would take place in Britain, but it was essential that this matter should be resolved in advance of it. Second, the last thing that she wanted was to be forced to withhold Britain's contributions because the agreement had not been implemented. There should be no difficulty in finding a short-term solution: if necessary, the formula agreed last year could be repeated. The CAP price fixing was also relevant. Commissioners Dalsager and Tugendhat had tabled figures which indicated that the CAP was rapidly consuming what was left within the own resources system. The UK could not agree to CAP proposals which made it impossible to find funds for the United Kingdom's refunds. Herr Genscher said that the attitude of the European Parliament meant that it would not be acceptable to have a solution for one year only. To do so would result in total confrontation and the fall of the Commission. At the Brussels meeting of the Council, the German Government had given all possible help, with the agreement of the French: they now had to agree on the future principles of budgetary policy. The view of the German Government was /not fully



not fully formed, but the view of the Foreign and Agriculture Ministries was that the Commission's proposals based on a levy of agricultural production were very reasonable. This would have the effect that those who expanded their agricultural production would pay more, and the United Kingdom and Germany would gain relief. It would provide a permanent solution for the UK and Germany and lay a foundation for the reform of agricultural policy. But it would mean going beyond the one per cent own resources ceiling and this aspect would have to be considered.

The Prime Minister said that she would speak frankly. An approach limited only to the matters mentioned by Herr Genscher would dishonour the agreement at Brussels. A long-term scheme would not get through quickly. She had been saying, on the basis of the Brussels Communique, that there was work to be done on putting figures on the agreement, but that this would be achieved and so the question of withholding would not arise. If this confidence was not fulfilled, the opponents of Britain's membership of the European Community would be quick to make capital out of it. She believed that the European Assembly would accept an outcome on the lines of the Communique in view of the strength of Britain's case, but she suspected that some countries (not Germany) were using the attitude of the Assembly as an excuse for not finding a solution. This would be completely unacceptable, and it was essential to bend every effort to achieve the timetable set out in the Brussels Communique.

Herr Genscher said that the Prime Minister's statement was absolutely right; but it would be essential at Stuttgart to face up to the fundamental long-term issues arising on the Budget. Chancellor Kohl underlined the importance of Herr Genscher's remark. The Prime Minister said that opposition to dealing with the long-term problems would not come from the United Kingdom but from other countries which benefited from the present arrangement. Herr Genscher agreed: Germany and Britain were on the same side in this matter and should pull in the same direction.

/The Prime Minister said



The Prime Minister said that there were wider issues at stake. Whether there was a British election before the end of this year or not, a solution at Stuttgart was essential. There was unlikely to be progress during the Greek Presidency: their attention would be directed towards achieving an agricultural regime for Southern products like that for Northern products. But the existing CAP was already taking an increasing proportion of own resources, and the sooner a crisis came, the sooner a solution was likely to be reached. For this reason it was essential not to increase the limit on own resources: otherwise any increase would only be swallowed up by agricultural policy. We must make progress on long-term reform while the incentive of the own resources limit was providing a stimulus.

Herr Genscher said that the German Agriculture Minister had not proposed a solution to the current problems on the CAP settlement by proposing higher prices, and he had been grateful for Mr. Walker's support on this matter. He himself was to discuss with M. Cheysson on Monday how the problem over MCAs was to be solved: the revaluation of the Green Mark which had been proposed would have meant a reduction in income for German farmers and this was obviously unacceptable. But the Germans had nonetheless avoided proposing increased price rises.

#### Genscher/Colombo Proposals

Herr Genscher said that agreement in Stuttgart on the text of the Solemn Declaration would have an important political significance in Germany which was relevant to the Budget proposals: the German people would not accept a position in which they were always paying towards the Budget but no progress was made towards European unity. If the outstanding point of difference with the UK could be solved, the German Government could concentrate on bringing the Danes into line with the agreement.

The Foreign and Commonwealth Secretary said that the only point of difficulty for the UK Government was majority voting. We could accept the text circulated by the Presidency which allowed every Member State to maintain its present position.

/Herr Genscher



Herr Genscher said that the German Government had never agreed to the Luxembourg formula, which had been wrongly known as the "Luxembourg Compromise". The German Government fully understood the position of the British Government on this matter, but believed that it could be adequately protected by expressing it in a separate protocol, or in the minutes. <sup>The Prime Minister said that</sup> ~~the Luxembourg Compromise~~ was part of the terms on which Britain had joined the Community. It had been included in the British White Paper on entry, to which we believed that other members of the Community had assented. Other European countries, and particularly the French, took a similar position to the UK. It would be no use the United Kingdom's signing a protocol which would be a unilateral declaration, without others recognising that it would be wrong to enforce majority votes on matters of over-riding national interest. The French would certainly not accept a position in which their national interest was over-ruled by a majority. For the British too arrangements for majority voting did not give sufficient safeguards when issues of morality and equity were at stake.

Herr Genscher said that Germany and the older members of the Community would not agree to a formula which they had not accepted in Luxembourg. Nor would the European Parliament accept it. The UK position was understood, but it would be wrong to expect Germany or Belgium now to adopt a position which they had never previously taken up. The Foreign and Commonwealth Secretary said that the advantage of the text proposed by the Presidency in February was that it did not require any Member State to change its position regarding the Luxembourg Compromise; but if this was contained in a protocol, it would down-grade it. He understood that the French, Danes, Greeks and Irish shared our position on this matter.

Chancellor Kohl said that he applauded the Prime Minister's spirited remarks. But the Community must not be limited to an institution for exchanging money. He had made the point to the Danish Prime Minister that the future of European development must not be impeded by the lack of an overall majority in the Danish Parliament. He urged the Prime Minister to consider the matter constructively and in a far-sighted spirit. The German Government had done much in the interests of Europe: they had recently done so in the currency re-alignment and were now doing the same on the CAP settlement. They

/relied on the



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relied on the goodwill of their partners in making reciprocal gestures. Little progress was likely to be made during the Greek Presidency, and next year there would be elections to the European Parliament: as Party Leaders, he and Mrs. Thatcher had an interest in the representatives of their Parties being successful in those elections. People would find it hard to understand if, at the end of the third session of the European Parliament, no progress had been made on European integration. Progress in this direction was essential to maintain the westward orientation of the Federal Republic and to counter the nationalism to which East Germany was increasingly resorting.

The Prime Minister said that she was wholly committed to the European concept. But she believed that progress could only be made through solving practical problems such as the Budget, the internal market, insurance, lorry quotas. The UK could not surrender conditions on which Britain entered the Community. On some matters, for example butter exports to Russia, Britain had accepted majority votes even though we disapproved of the proposals. But some issues were fundamental in terms of the equity which was at the heart of British law. Germany had special treatment under the Treaty in terms of her relationship with East Germany. For Britain the Luxembourg Compromise was part of our special position. The UK had not been ungenerous to the Community: we had contributed much of our fish to the Community, we expected to go on making a net contribution to the Budget and we provided much of the market for the agricultural products of others. She would look at the position on the Solemn Declaration, but she could not accept that there was any link between this and the Budget settlement, on which there had been an unconditional agreement in the Brussels Communique.

CSCE

Chancellor Kohl said that he had discussed the Madrid Conference with President Reagan. The German Government had every sympathy with the American position on human rights, but they felt that this should not be limited to a few prominent cases. It would be right to try to improve the draft agreement, but the best course would be to conclude the Conference in May or June and obtain agreement of the Russians to a further meeting of experts in two years' time. A Conference on disarmament in Europe could then be begun in Sweden towards

/the end



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the end of the year, and there would be a tactical advantage in this if it coincided with the deployment of the Cruise and Pershing missiles.

The Foreign and Commonwealth Secretary emphasised that it was essential to keep the West united, and Chancellor Kohl agreed. The Prime Minister said that she had taken the point which Chancellor Kohl had made, and pointed out that there would be an opportunity to have an exchange on this matter with the Americans at Williamsburg. Herr Genscher commented that one of the main difficulties for the Americans was the attitude of Congress.

F.E.R.B.

22 April 1983



Rafa  
#23/3

UNCLASSIFIED  
FRAME GENERAL  
FRAME ECONOMIC

FM UKREP BRUSSELS 221252Z MAR 83  
TO IMMEDIATE FCO

TELEGRAM NUMBER 1232 OF 22 MARCH 1983

INFO IMMEDIATE BRUSSELS COPENHAGEN THE HAGUE ROME DUBLIN PARIS  
BONN LUXEMBOURG ATHENS

INFO PRIORITY LISBON MADRID WASHINGTON TOKYO OTTAWA

INFO ROUTINE UKMIS NEW YORK UKMIS GENEVA

INFO SAVING STRASBOURG UKDEL NATO

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EUROPEAN COUNCIL, BRUSSELS, 21/22 MARCH 1983

FOLLOWING ARE THE PRESIDENCY'S CONCLUSIONS ON COMMUNITY SUBJECTS:

THE ECONOMIC AND SOCIAL SITUATION

1. THE EUROPEAN COUNCIL DISCUSSED THE CONTINUED IMPLEMENTATION OF THE COMMUNITY'S COMPREHENSIVE STRATEGY FOR RE-ESTABLISHING ECONOMIC STABILITY, ENCOURAGING PRODUCTIVE ACTIVITY AND CONTRIBUTING TO A CLIMATE OF EXPANSION OF MARKETS WITHOUT RENEWED INFLATION AND THUS TO THE CREATION OF DURABLE JOBS AND THE POSSIBLE EXAMINATION OF THE QUESTION OF WORKING TIME.

2. IN PARTICULAR IT AGREES THAT ALL MEMBER STATES AND THE COMMUNITY MUST NOW TAKE EFFECTIVE ACTION TO IMPROVE THE EMPLOYMENT SITUATION OF YOUNG PEOPLE. IT NOTES THE INTENTION OF THE COMMISSION TO SUBMIT CONCRETE PROPOSALS AND INVITES THE COUNCIL TO SUBMIT A REPORT TO THE EUROPEAN COUNCIL IN JUNE ON PROGRESS MADE BOTH NATIONALLY AND AT COMMUNITY LEVEL.

3. THE EUROPEAN COUNCIL WELCOMES THE REPORT FROM THE GENERAL AFFAIRS COUNCIL ON THE IMPLEMENTATION OF THE PRIORITY GOALS LAID DOWN BY IT AT ITS MEETING IN DECEMBER 1982 IN COPENHAGEN.

4. CONCERNING THE INTERNAL MARKET THE EUROPEAN COUNCIL NOTES THE PROGRESS MADE. IT STRESSES THE NEED FOR DECISIONS BEFORE JUNE IN ALL THE PRIORITY AREAS AS DEFINED IN COPENHAGEN. THE EUROPEAN COUNCIL NOTES WITH SATISFACTION THAT THE COUNCIL'S WORK PROGRAMME INCLUDES ALSO THE AREAS OF INSURANCE AND OTHER SERVICES.

5. IT ASKS THE COUNCIL TO TAKE A POSITION, WITH THE SAME DEGREE OF PRIORITY, ON THE COMMISSION PROPOSALS ON THE STRENGTHENING OF THE INSTRUMENTS OF THE COMMON EXTERNAL TRADE POLICY.

6. THE EUROPEAN COUNCIL NOTES THAT FURTHER CONCRETE DECISIONS MUST ALSO BE TAKEN BETWEEN NOW AND THE EUROPEAN COUNCIL MEETING IN JUNE ON ENERGY POLICY, RESEARCH AND DEVELOPMENT POLICY.

7. IT INVITES THE COUNCIL (ECO/FIN) TO PURSUE ITS WORK CONCERNING THE DEVELOPMENT OF INVESTMENTS.



8. THE COUNCIL CONSIDERS THAT THE DEVELOPMENT OF THE PRODUCTIVE CAPACITY OF EUROPEAN INDUSTRY IN THE CONDITIONS REQUIRED BY INTERNATIONAL COMPETITIVITY MUST CONSTITUTE A MAJOR NECESSITY FOR THE COMMUNITY.

9. IT NOTES THAT THE COMMISSION WILL IN THE NEAR FUTURE MAKE PROPOSALS ENABLING BETTER CONDITIONS TO BE BROUGHT ABOUT FOR THE DEVELOPMENT OF NEW INFORMATION TECHNOLOGIES, TELECOMMUNICATIONS AND BIOTECHNOLOGY.

10. THE EUROPEAN COUNCIL DISCUSSED A NUMBER OF SPECIFIC AREAS WHERE MORE EFFECTIVE COMMON ACTION IS URGENTLY NEEDED:

- IT AGREES THAT MUTUAL RECOGNITION OF DIPLOMAS IS AN IMPORTANT STEP IN CREATING SATISFACTORY CONDITIONS FOR THE EXERCISE OF A NUMBER OF PROFESSIONS.

THE EUROPEAN COUNCIL INVITES THE MINISTERS OF EDUCATION TO SPEED UP THEIR WORK IN ORDER TO CREATE THE NECESSARY CONDITIONS FOR TANGIBLE RESULTS IN THIS FIELD.

- THE EUROPEAN COUNCIL FURTHER INVITES THE COUNCIL TO SPEED UP THE EXAMINATION OF A NUMBER OF PROPOSALS FOR DIRECTIVES CONCERNING THE RIGHT OF ESTABLISHMENT AND FREEDOM TO PROVIDE SERVICES IN ORDER TO BRING THIS WORK TO A SUCCESSFUL CONCLUSION AS SOON AS POSSIBLE.

- THE EUROPEAN COUNCIL AGREES THAT THE DAMAGE DONE TO THE FOREST ENVIRONMENT BY ACID RAIN MAKES EFFECTIVE JOINT ACTION URGENTLY NECESSARY. IT THEREFORE INVITES THE COUNCIL TO GIVE RAPID AND POSITIVE ATTENTION TO PROPOSALS ANNOUNCED BY THE COMMISSION BOTH FOR ACTION IN THE COMMUNITY AND IN THE FRAMEWORK OF THE ECE. IT REQUESTS THE COUNCIL TO MAKE AN INTERIM REPORT ON THE SITUATION CONCERNING THIS PROBLEM FOR ITS MEETING IN JUNE.

- THE EUROPEAN COUNCIL REQUESTS THE COUNCIL TO EXPEDITE THE DEVELOPMENT OF A COMMUNITY TRANSPORT POLICY; SPECIAL ATTENTION SHOULD BE PAID TO THE IMPROVEMENT OF FRONTIER FORMALITIES IN THE FORMULATION OF DECISIONS ON THE INTERNAL MARKET.

11. THE EUROPEAN COUNCIL STRESSES THE IMPORTANCE OF DECISIVE PROGRESS TOWARDS THE SUCCESSFUL IMPLEMENTATION OF ITS EMPLOYMENT STRATEGY. THE COUNCIL SHOULD CONTRIBUTE TO A CONSTRUCTIVE DIALOGUE ON THIS SUBJECT BETWEEN IT AND THE EUROPEAN PARLIAMENT.

THE ECONOMIC SUMMIT IN WILLIAMSBURG IN MAY 1983

12. THE EUROPEAN COUNCIL ASKS THE COUNCIL TO PREPARE COMMUNITY POSITIONS FOR THE WILLIAMSBURG ECONOMIC SUMMIT WHICH WILL PERMIT THE COMMUNITY TO MAKE A SUBSTANTIAL CONTRIBUTION TO EFFORTS TO ENSURE THAT THE RECOVERY OF THE INTERNATIONAL ECONOMY, WHICH IS NOW APPEARING AND WHICH IS PARTICULARLY IMPORTANT FOR DEVELOPING COUNTRIES, WILL BE SUPPORTED THROUGH THE CONCERTED POLICIES OF THE SUMMIT PARTICIPANTS. IN THIS CONTEXT THE EUROPEAN COUNCIL



ATTACHES GREAT IMPORTANCE TO THE MAINTENANCE AND FURTHER STRENGTHENING OF WORLD TRADE INCLUDING TRADE WITH THE THIRD WORLD AS AN INTEGRAL PART OF A POLICY INTENDED TO BRING ABOUT A FAVOURABLE CLIMATE OF SALES POSSIBILITIES WITHOUT RENEWED INFLATION.

13. IT CONSIDERS IN PARTICULAR THAT A GENUINE DIALOGUE BETWEEN EUROPE AND THE UNITED STATES ON TRADE IN AGRICULTURAL PRODUCTS CAN BE MAINTAINED ONLY ON THE BASIS OF MUTUAL RESPECT OF THE AGREEMENTS CONCLUDED FOLLOWING THE TOKYO ROUND.

14. THE EUROPEAN COUNCIL CONSIDERS THAT THE FALLING OIL PRICES CONSTITUTE A POSITIVE CONTRIBUTION TO WORLD ECONOMIC RECOVERY, PROVIDED THAT THIS DEVELOPMENT AND ITS CONSEQUENCES ARE KEPT UNDER CONTROL. IT IS ALSO IMPORTANT THAT STEPS ARE TAKEN TO ENSURE THAT THIS DEVELOPMENT DOES NOT JEOPARDIZE THE SUCCESSFUL CONTINUATION OF EFFORTS TO ENSURE ENERGY SAVINGS AND DEVELOPMENT OF ENERGY SOURCES.

#### ENLARGEMENT

15. THE EUROPEAN COUNCIL NOTED THE REPORT FROM THE COUNCIL (GENERAL AFFAIRS) ON PROGRESS OF WORK ON THE INVENTORY PRESENTED BY THE COMMISSION, AND IN NEGOTIATIONS WITH SPAIN AND PORTUGAL. IT REQUESTS THE COUNCIL TO CONTINUE ITS WORK SO THAT BALANCED DECISIONS CAN BE MADE.

16. THE EUROPEAN COUNCIL IS DETERMINED THAT NEGOTIATIONS WITH SPAIN AND PORTUGAL SHOULD NOW MAKE SUBSTANTIAL PROGRESS, AND ASKS THE COUNCIL TO MAKE EVERY EFFORT TO THIS END.

17. THE EUROPEAN COUNCIL EXPECTS THE COUNCIL (GENERAL AFFAIRS) TO BE ABLE TO REPORT BEFORE JUNE SUBSTANTIAL PROGRESS BOTH ON SUBJECTS DEALT WITH IN THE INVENTORY AND IN THE NEGOTIATIONS WITH SPAIN AND PORTUGAL.

18. THE EUROPEAN COUNCIL INTENDS TO TAKE STOCK OF THE SITUATION REGARDING THE ENLARGEMENT NEGOTIATIONS AT ITS NEXT MEETING AND TO GIVE POLITICAL ORIENTATION FOR THE COMPLETION OF THE NEGOTIATIONS.

19. THE EUROPEAN COUNCIL TOOK NOTE OF THE DISCUSSIONS THAT HAVE TAKEN PLACE ON THE ADAPTATION OF RULES APPLICABLE TO CERTAIN MEDITERRANEAN AGRICULTURAL PRODUCTS.

20. AFTER RE-EXAMINING THE DOSSIER, IT REAFFIRMED ITS VIEW THAT APPROPRIATE DECISIONS SHOULD BE TAKEN IN ORDER THAT THE COMMUNITY CAN MAKE FURTHER PROGRESS IN THE NEGOTIATIONS FOR THE ACCESSION OF SPAIN AND PORTUGAL.

21. THE EUROPEAN COUNCIL THEREFORE ASKS THE COUNCIL OF AGRICULTURE MINISTERS TO ADOPT THE NECESSARY DECISIONS AS SOON AS POSSIBLE, TAKING ACCOUNT OF THE FOLLOWING FACTORS:

22. IN THE OLIVE OIL SECTOR A LONG TRANSITIONAL PERIOD MUST BE FORESEEN.



23. IN THE FRUITS AND VEGETABLES SECTOR COMPROMISES SHOULD BE SOUGHT ON THE BASIS OF THE COMMISSION PROPOSALS COMPLETED BY PROVISIONS ENSURING THAT TRADITIONAL TRADE FLOWS WITH THE THIRD COUNTRIES ARE MAINTAINED AND GUARANTEEING THAT THE FREE CIRCULATION OF GOODS IS RESPECTED.

24. THE EUROPEAN COUNCIL EXPRESSES ITS CONVICTION THAT EACH GOVERNMENT MUST BE READY TO MAKE A STEP IN THE DIRECTION OF THE OTHERS IN ORDER TO CLEAR THE WAY BEFORE AN OVERALL COMPROMISE.

THE COMMUNITY'S FINANCIAL RESOURCES AND RELATED PROBLEMS

25. THE EUROPEAN COUNCIL NOTES THE REPORT ON WORK DONE ON THE COMMISSION'S COMMUNICATION ON THE FUTURE FINANCING OF THE COMMUNITY. THE EUROPEAN COUNCIL FURTHER NOTES THE COMMISSION'S INTENTION TO SUBMIT SPECIFIC PROPOSALS AS SOON AS POSSIBLE. IT EXPECTS THESE PROPOSALS TO TAKE ACCOUNT OF THE DEVELOPMENT OF THE COMMUNITY'S POLICIES, THE PROBLEMS CONNECTED WITH ENLARGEMENT, BUDGETARY IMBALANCES AND THE NEED TO STRENGTHEN BUDGETARY DISCIPLINE. IT INVITES THE COUNCIL (GENERAL AFFAIRS) TO DISCUSS THOSE PROPOSALS AND TO REPORT ITS CONCLUSIONS TO THE JUNE EUROPEAN COUNCIL.

26. THE EUROPEAN COUNCIL AGREES THAT THIS REPORT WILL CONTAIN CONCLUSIONS ALSO CONCERNING THE SO-CALLED SUBSEQUENT SOLUTION IN ACCORDANCE WITH THE UNDERTAKING MADE BY THE FOREIGN AFFAIRS MINISTERS ON 25 MAY AND 26 OCTOBER 1982 REGARDING COMPENSATION TO THE UNITED KINGDOM. CONSEQUENTIAL FIGURES FOR 1983 WILL BE INCORPORATED IN THE DRAFT COMMUNITY BUDGET FOR 1984.

FCO ADVANCE TO:

FCO - PS: PS/PUS: SPRECKLEY: CROWE

CAS - STAPLETON: DURIE: LAMBERT

MAFF - HADDON

TSY- HEDLEY-MILLER AJC ANDREWS

FCO PASS SAVING TO STRASBOURG UKDEL NATO

BUTLER

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(REPEATED AS REQUESTED)



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MINISTRY OF DEFENCE  
MAIN BUILDING WHITEHALL LONDON SW1  
Telephone 01-~~926 7023~~ 218 2111/3

MO 14/3

21st April 1983

*Dear John,*

ANGLO-GERMAN SUMMIT - TORNADO EXPORTS

You asked about the latest position on the sale of Tornado. In essence, we have heard from our Embassy in Bonn this morning that their informal contacts suggest that the German Government has taken a decision in favour of Tornado sales not only to Oman but elsewhere in contentious markets and that Chancellor Kohl wishes to convey this personally to the Prime Minister in the course of the Summit.

If this decision is confirmed, it will represent a major breakthrough in our long negotiations with the Germans over the sale of Tornado. We recognise that this presents acute political difficulties for the Germans in domestic terms and because of this we had concentrated all our efforts on obtaining a favourable decision on the supply of Tornado ADV to Oman in the context of the Summit. However, the informal indications from Bonn are that the Germans have also decided to agree a draft Memorandum of Understanding with us, which has been under negotiation for some time, which would allow the UK to accept political responsibility for the sale of all Collaborative Projects in contentious areas. Hitherto the Germans have said that they are prepared to agree this MOU for future Collaborative Projects but not for existing ones. However, the indications are that the Germans have now decided to make this MOU retrospective.

If this proves to be the case, it will represent an act of considerable political courage for the Germans which will greatly enhance the sales prospects for Tornado and other Collaborative Projects. We should therefore leave the Germans in no doubt that we appreciate the steps they have taken and express our gratitude in the warmest terms.

I am copying this letter to John Kerr (HM Treasury), Roger Bone (FCO), Jonathan Spencer (DOI), John Rhodes (Trade) and Richard Hatfield (Cabinet Office).

*Yan ver  
rich from*

pp (R C MOTTRAM)

A J Coles Esq

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10 DOWNING STREET

Jim

Industry are asking if  
Patrick Jenkins will be required  
to be in attendance at the  
Press Conference tomorrow?

Logie

21/4

to be in

No.

PE  
21/4

A. J. C. 21/4



Germany



told  
MOD PE  
21/4

10 DOWNING STREET

Yes. Excuse him

John

A.S.C. 21/4.

Defence have asked  
if Mr Heseltine  
may be excused  
(if he is reg'd) the  
Press Conference  
tomorrow.

(He is due to do an  
interview with CBS).

Peter  
21/4



## TALKS WITH CHANCELLOR KOHL: CHECK-LIST

1. Impressions of U.S. Administration.
2. Williamsburg (28-30 May)
  - Language on economic recovery
  - E/W economic relations
  - U.S. protectionism.
3. East/West Relations
  - Kohl's visit to Moscow
  - CSCE (Madrid) and Conference on Disarmament in Europe - what does Kohl want?
4. INF
  - At press conference reconfirm support for US negotiating efforts and intention to deploy if no zero option
  - In UK, no major cruise equipment before November. Minor items from this month onwards for training purposes only. No off-base training before 1984.
5. CAP and problem of EC agricultural spending
  - CAP Budget could be overspent by 2 billion ecu this year. Expenditure growing twice as fast as our own resources. CAP Supplementary Budget must be kept to 1 billion at most - and not approved till UK budget settlement.
6. Stuttgart (6-7 June)
  - Both want success
  - UK Budget: Germans must not insist on paying only 25% of their normal share of refunds.



- Genscher/Colombo: We will sign provided majority voting provisions respect Luxembourg compromise.
- Acid Rain: Review in hand; recognise German concern.

7. Arms Sales

(a) Tornado for Oman

(b) German arms sales to Argentina

AEG TELEFUNKEN

anti-ship, anti-submarine torpedoes

8. Lead in Petrol

- Mention UK intentions

9. Review of bilateral relations

- Agreed at November, 1981 summit that officials should make a progress report on our relations to a future summit. Suggest this is done for our autumn summit.



VISIT OF HIS EXCELLENCY DR HELMUT KOHL, CHANCELLOR OF THE  
FEDERAL REPUBLIC OF GERMANY 21-22 APRIL 1983

ADMINISTRATIVE PLAN

21 April

Arrival

The Rt Hon Francis Pym, Secretary of State for Foreign and Commonwealth Affairs accompanied by Sir Jock Taylor, Her Majesty's Ambassador at Bonn will arrive at Northolt by helicopter at 1830 hours. They will be met by Group Captain R T Dixon, the Station Commander.

When the Federal Ministers' aircraft has landed the Station Commander will accompany the greeting party to the bottom of the aircraft steps. The German Ambassador will board the aircraft and escort Herr Genscher, Dr Stoltenberg, Dr Blüm and Dr Wörner to the tarmac where they will be welcomed by:

The Rt Hon Francis Pym, Secretary of State for Foreign  
and Commonwealth Affairs

Sir Jock Taylor, Her Majesty's Ambassador at Bonn

Group Captain R T Dixon, Station Commander, Northolt

Group Captain R Thomson, Escort Officer, Government Hospitality Fund

The Ministers and some of their officials will remain with the greeting party to await the Chancellor's arrival. The other officials will proceed direct to their cars which will depart immediately for the Carlton Tower Hotel. (For precise details please see following paragraph, Transport, and Appendix 1 attached).

Transport

Cars are provided for the Chancellor, Ministers and their official suites throughout the period of the visit and seating plans are shown at Appendix 1. For the journey from Northolt to the Carlton Tower Hotel the cars will be divided into three groups. Cars 4 and 10 will proceed to the Hotel when Dr Lambsdorff arrives at 1615 hours. Cars 9 and 11 will leave Northolt as soon as possible after their passengers have arrived at 1845 hours. The Chancellor's car with cars 2, 3, 5, 6, 7 and 8 together with a security car and accompanied by the Special Escort Group will leave Northolt at 1905 hours.

/Interpreters



## Interpreters

Herr Heinz Weber will interpret for Dr Kohl and Mrs Siebourg for Herr Genscher. HMG have engaged the services of Mr R Lederer who will interpret for the Prime Minister, the Rt Hon Margaret Thatcher, Mrs Ilse Bloom who will interpret for Dr Stoltenberg and Mrs H Evers who will interpret for Dr Blum.

## Participation of Federal Ministers and their official suites in Federal Chancellor's programme

### Dinner at 10 Downing Street, 21 April

The following are also invited:

All Federal Ministers  
HE Dr Jürgen Ruhfus  
Dr Lothar Rühl  
Herr Jürgen Sudhoff  
Dr Waldemar Mueller-Thuns  
Dr Franz Pfeffer  
Dr Klaus Zeller  
Dr Winfrid Heck  
Dr Rudolf Miller

### 22 April

#### Talks with the Prime Minister

The Chancellor will be accompanied by a note-taker and by his interpreter

#### Talks with Prime Minister and Secretary of State for Foreign and Commonwealth Affairs

to be announced.

#### Plenary Talks

All Federal Ministers each accompanied by one official.

HE Dr Jürgen Ruhfus  
Herr Sudhoff  
note-taker  
not more than five officials  
Interpreters

The members of the official suite who are not taking part in the plenary talks will be accommodated in the Ambassadors' Waiting Room at the Foreign and Commonwealth Office. Entrance: Ambassadors' entrance



Lunch at No 10 Downing Street

The following are also invited:

All Federal Ministers (except Dr Lambsdorff who will depart immediately after the plenary talks).

HE Dr Jürgen Ruhfus

Private Secretary

Herr Sudhoff

Press Conference at 12 Downing Street

All Federal Ministers will accompany the Chancellor. Space permitting it may be possible for a limited number of officials to be present too.

Separate Hospitality for Officials

The dinner for officials at 2015 for 2030 hours on 21 April will be hosted by Mr R M Evans, Deputy Under-Secretary, Foreign and Commonwealth Office and will take place at Dukes Hotel, St James's Place:

The following are invited:-

Herr Neuer

Dr Mayhöffer

Herr Rothen;

Dr Fischer

Herr Paschke

Herr Wentler

Herr Ischinger

Herr Alwes

Dr Schomerus

Herr Büniger

Dr Schulz

Dr Rühle

Major General Tandecki

Colonel Schönbohm.

and from the German Embassy:-

Herr J von Alten

Dr C Kudlich

Dr D von Berg

Dr H J Voss

Admiral Fischer

Herr Kiehl

The lunch for officials at 1245 for 1300 hours on 22 April will be hosted by Sir Julian Bullard, Deputy to the Permanent Under-Secretary, Foreign and Commonwealth Office and will take place at Brown's Hotel Dover Street SW1.

The following are invited:-

All the Officials in the official suite with the exception of the Private Secretary who is invited to the lunch at 10 Downing Street.

+ Herr Sudhoff

/Amendment



Amendment to printed programme:

Herr Hange, Dr Citron and Herr Brünges are not now coming; the latter's place will be taken by Dr Klaus Büngrer.

*J H W Reid*

J H W Reid (Miss)  
Inward Visits Section  
Protocol and Conference Department  
Tel No 273 3582

FOREIGN AND COMMONWEALTH OFFICE

20 April 1983



Northolt to Carlton Tower Hotel

S B Car	HE the Federal Chancellor The Rt Hon Francis Pym Herr Weber S B Officer
Police back-up car	British-German security officers Group Captain R Thomson
Car 2	HE the Federal Vice-Chancellor HE Dr Jürgen Ruhfus Sir Jock Taylor Dr Pfeffer Mrs Siebourg S B Officer
Car 3	HE Dr Stoltenberg Dr Heck Herr Alwes Herr Kudlich Colonel Worrall
Car 4	HE Dr Lambsdorff Dr Mueller-Thuns Dr Von Berg Group Captain Harvey
Car 5	HE Dr Blum Dr Miller Dr Schulz Dr Voss Group Captain Heal
Car 6	HE Dr Wörner Dr Ruhl Admiral Fischer Wing Cdr Cody
Car 7	Herr Sudhoff Dr Zeller Herr Neuer Herr Kiewitt Group Captain O'Neill
Car 8	Dr Mayhöffer Herr Rothen Herr Ischinger Herr Paschke



Car 9                   Dr Fischer  
                          Herr Gnodtke  
                          Herr Wentler

Car 10                   Dr Schomerus  
                          Dr Büniger

Car 11                   Dr Rühle  
                          Major General Tandecki  
                          Colonel Schönbohm

From Carlton Tower Hotel to 10 Downing Street and return to Hotel  
(April 21)

S B Car                   HE the Federal Chancellor  
                          HE Dr Jürgen Ruhfus  
                          S B Officer

Police back-up Car      British and German security officers

Car 2                   HE the Federal Vice-Chancellor  
                          HE Dr Stoltenberg  
                          Sir Jock Taylor  
                          Group Captain R Thomson  
                          S B Officer

Car 3                   HE Dr Lambsdorff  
                          HE Dr Blum  
                          HE Dr Wörner  
                          Group Captain O'Neill

Car 4                   Herr Sudhoff  
                          Dr Zeller  
                          Dr Pfeffer

Car 5                   Dr Heck  
                          Dr Mueller-Thuns  
                          Dr L Rühl  
                          *Dr Müller*

Car 6                   Herr Weber  
                          Mrs Siebourg

Car numbers 7-11 inclusive are available for the officials attending the dinner at Duke's Hotel and will be allocated by Government Hospitality Fund Escort Officers.

April 22

Carlton Tower Hotel to 10 Downing Street

S B Car                   HE the Federal Chancellor  
                          Dr Zeller  
                          S B Officer



Car 7

Herr Sudhoff  
Herr Weber  
Herr Neuer  
Dr Mayhöffer  
Group Captain Thomson

German Embassy car

Carlton Tower Hotel to Foreign and Commonwealth Office

Car 2

HE the Federal Vice-Chancellor  
HE Dr Jürgen Ruhfus  
Sir Jock Taylor  
S B Officer  
Dr Fischer  
Dr Pfeffer  
Herr Paschke

Car 8

Group Captain O'Neill

Car 9

Herr Wentler  
Herr Ischinger  
Mrs Siebourg

German Embassy car

Carlton Tower Hotel to 11 Downing Street

Car 3

HE Dr Stc|tenberg  
Dr Heck  
Herr Alwes  
Herr Kudlich  
Colonel Worrall

Carlton Tower Hotel to Department of Energy, Department of Industry  
Downing Street and Northolt

Car 4

HE Dr Lambsdorff  
Dr Mueller-Thuns  
Dr Von Berg  
Group Captain Harvey

Car 11

Dr Schomerus  
Dr Bünger

Carlton Tower Hotel to Department of Employment and Downing Street

Car 5

HE Dr Blüm  
Dr Miller  
Dr Schulz  
Dr Voss  
Group Captain Heal



Carlton Towers Hotel to Ministry of Defence and Downing Street

Car 6                   HE Dr Wörner  
                          Dr Rühl  
                          Admiral Fischer  
                          Wing Cdr Cody

Car 11                   Dr Rühle  
                          Major-General Tandecki  
                          Colonel Schönbohm

Downing Street to Brown's Hotel and return to Downing Street

Cars will be allocated by Government Hospitality Fund Escort Officers as necessary.

Downing Street to Northolt

See Over



12 DOWNING STREET TO RAF NORTHOLT AT 1545 HOURS

Armoured Car	His Excellency the Federal Chancellor His Excellency the Federal Ambassador Special Branch Officer
Back-up Car	Special Branch Officer Federal German Security Officer Group Captain Thomson
Car 2	His Excellency the Federal Vice-Chancellor <i>Sir Jack Taylor</i> Dr Fischer Dr Pfeffer Group Captain O'Neill Special Branch Officer
Car 3	His Excellency Dr Stoltenberg Dr Heck Herr Alwes Colonel Worrall
Car 5	His Excellency Dr Blüm Dr Miller Dr Schulz Group Captain Heal
Car 6	His Excellency Dr Wörner Dr Ruhl Wing Commander Cody

Coach for the remainder of the delegation.



Distribution

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Ministry of Defence

Private Secretary/Secretary of State for Defence (2)

Government Hospitality Fund (20)





Foreign and Commonwealth Office

London SW1A 2AH

Prime Minister

To note - Chancellor Kohl  
may refer to this letter.

20 April, 1983

A.S.C.  $\frac{20}{4}$ 

Jew [unclear]

CSCE Madrid Meeting: Appeal by Certain Neutral and Non-Aligned  
Heads of State/Government

I enclose a letter to the Prime Minister which the Finnish Ambassador, Mr Pastinen, together with four other Heads of Mission from Neutral and Non-Aligned (NNA) countries, handed to Mr Rifkind on 18 April on behalf of their Heads of State and Government. A similar letter has been sent to other Heads of States and Governments represented at the Madrid meeting.

The letter expresses concern that continued and protracted negotiations at the Madrid meeting will lead to the erosion of the aims and purposes set forth by the Conference on Security and Cooperation in Europe. The letter states that the NNA participants recently put forward a proposal in Madrid for a substantial and balanced concluding document. They appeal for a political decision soon to determine the outcome of the Madrid meeting.

Acknowledging receipt of the letter, Mr Rifkind said that we appreciated the contribution which the NNA had made by tabling the draft. It contained some advances but was silent on a number of important issues. We did not think it was yet certain what could or could not be achieved in Madrid.

In fact, there are differences of view within the Alliance on how to respond to the NNA draft concluding document. A majority of the Ten think we should use it as the basis for a short and intensive end-game in which the West should seek only a strictly limited number of improvements. The United States is inclined to reject the draft as embodying too few of the proposals, especially in the human rights field, which the West put forward last November, and instead to have the West stick firmly to these proposals. In Madrid and elsewhere we have sought to provide a bridge between these two approaches. We believe that the Alliance will have to establish a common position in Madrid if a successful outcome is to be achieved.

/In



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In these circumstances, we need to consult Partners and Allies as to whether a reply to the Neutral and Non-Aligned appeal is required, and if it is what it might contain. I will write again when this has been done.

*Yes*  
*R B Bone*

(R B Bone)  
Private Secretary

A J Coles Esq  
Private Secretary  
10 Downing Street

CONFIDENTIAL



Petes



AR 19/4

10 DOWNING STREET

John

Anglo-German Summit  
briefing mtg.

Lindsay has asked two questions:

1. Secretary of State Defence is unable to attend (visiting an RAF base) - may Mr Whitmore attend instead? Yes. AR 19/4

2. Is it necessary for Mr Paison to attend now that his opposite no. from the German side will not be coming?

Petes 19/4

No. AR 19/4.



CONFIDENTIAL

Mr Coles

Prime Minister.

The Prime Minister may  
like to see this before he

W.0267

SIR ROBERT ARMSTRONG

19 April 1983  
meets the Federal Chancellor.

ANGLO-GERMAN SUMMIT  
ACID RAIN

RIA  
20. iv. 83

I have seen the brief provided by the Department of the Environment on this subject and while it deals adequately with the problem, there are two points I would wish to emphasise.

2. First, the science of the subject is extremely uncertain and the evidence for the link between cause and effect is at best ambiguous and at worst contradictory. There is therefore a danger that by selecting certain scientific results, spurious backing may be given to proposed "remedies".
3. Secondly, on the political front there is evidence that the Germans have got themselves into a position whereby they may be committed to making expensive modifications to their coal-burning power stations without any guarantee that this will alleviate their environmental problems. These modifications could increase the price of electricity by 15 per cent and the Germans will not wish to bear this increased manufacturing cost alone. They therefore have an incentive to try and get their actions copied throughout Europe, perhaps through some EEC directive. The French are likely to support this proposal since with their high proportion of electricity generated from nuclear power they would be building in a price advantage for their own electricity.
4. Whilst I recognise the need for the UK to take a constructive attitude to Germany's needs at the forthcoming Summit, I think the acid rain situation must be handled with extreme caution if we are not to find ourselves committed to drastic economic measures which are in no way justified by the scientific evidence.

ROBIN B NICHOLSON

cc: Mr Sparrow  
Mr Gregson



PRIME MINISTER

Anglo-German Summit

In an attempt to sharpen up the briefing for meetings of this sort it has been agreed to produce for each briefing meeting a draft "Game Plan". Following the meeting this will be revised and submitted to you together with your brief for the talks.

A draft "Game Plan" for this Summit is attached. You may like to concentrate discussion on it at the briefing meeting.

The programme for the summit is:-

Thursday 21 April

Chancellor Kohl arrives at Northolt: met by Foreign and Commonwealth Secretary

2015 for 2030 Dinner at No. 10 for Chancellor (48 at small tables)

Friday 22 April

0900-1030 Tete-a-tete

1030-1130 Joined by Foreign Ministers and Ambassadors

1145-1245 Plenary in Cabinet Room

1300 Lunch at No. 10 for participating Ministers and 2 Ambassadors (Lambsdorff has to leave before lunch)

1445 Joint Press Conference at No. 12

1545 Chancellor Kohl leaves

A.J.C.

19 April 1983



## ANGLO-GERMAN SUMMIT

## DRAFT GAME PLAN

1. There is a wide identity of views:  
see Bonn telno 377, Sir Antony Acland's minute of 19 April to the Foreign and Commonwealth Secretary, both attached, and Mr Hancock's minute of 15 April to Mr Coles.

Organisation of business

2. Underlying much of the agenda is the question of Europe's relations with the United States. At dinner on 21 April the Prime Minister may have a chance to compare notes with Dr Kohl about President Reagan's leadership and its implications for Britain and Germany.

3. When the talks begin on Friday, the Prime Minister could ask Dr Kohl to describe the results of his visit to Washington last week. He claims to have convinced the Americans that in the interests of carrying through the deployment of INF they should (a) not press for far-reaching conclusions on East/West economic relations at Williamsburg

/and (b)



and (b) not stand out for more than is now available  
at the CSCE Review Conference in Madrid. It is not  
clear however whether the Americans consider  
themselves committed to these propositions.

4. This could lead on to discussion of the  
agenda for the Economic Summit at Williamsburg,  
especially the world economy, in the light of this  
week's meeting of Personal Representatives.

5. Before Foreign Ministers join the meeting,  
the Prime Minister will want to consolidate the  
understanding reached with Dr Kohl in February  
that an interim budget solution for 1983 must be  
achieved by the time of the European Council in  
Stuttgart. In return the Prime Minister could say  
we are willing to work constructively with the  
Germans on a number of issues which matter to them,  
including youth unemployment, the internal market,  
and 'acid rain'. She could also say that she  
is prepared to sign the Genscher/Colombo document  
('Solemn Declaration' is now its title), provided  
the question of majority voting can be satisfactorily  
resolved.

/6.



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3

6. When the Foreign Ministers join the meeting, the points in paragraphs 3 to 5 above can be discussed further. It is important that Genscher should hear what the Prime Minister and Dr Kohl have agreed on the Community budget, since he may have to chair important meetings on the subject.

7. The other main subject for discussion by Heads of Government and Foreign Ministers together is INF deployment.

Specialist Points of particular importance

8. The most important of these from the British point of view are (Brief numbers in brackets):-

German Arms Supplies to Argentina (9c)

Tornado for Oman (5c)

Annual Reports by Armaments Directors (5a)

Progress report before next Summit on

Anglo-German Relations (11)

[list to be finalised after the Prime Minister's briefing meeting.]

9. All of these should be covered by Ministers in their bilateral talks, reported to the Plenary Session. [It will be for decision which should be mentioned in briefing the Press afterwards.]

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Secretary of State

cc: PS/Mr Hurd  
Sir Julian Bullard  
Mr Evans  
WED  
EESD  
Defence Dept  
ERD  
ECD(I)  
Planning Staff  
Sir Jock Taylor KCMG, BONN

TALKS WITH HERR VON STADEN

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satisfactorily in the various fora (NATO, COCOM, OECD, IEA) from becoming divisive and acrimonious once again.

- c) The European Council in Stuttgart in June. Chancellor Kohl was determined that the German Presidency should be seen as a success, and therefore attached great importance to a good outcome to the Stuttgart meeting.
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3. Von Staden spent some considerable time at the beginning of our talks on the one main outstanding issue in the Genscher/Colombo plan. He was clearly under instructions from Herr Genscher to press the German position. Chancellor Kohl is likely to say that he wants the Declaration signed at the next European Council (he attached a good deal of importance to this) but the details are more likely to be raised with you by Herr Genscher.

4. There was much common ground between us on other subjects we discussed, such as the Middle East and Southern Africa. On the Middle East, von Staden said the situation had deteriorated and it was hard to see what the EC could do about it. We said we were sticking with the Reagan Plan for a little longer, but if it became apparent that it was dead, we would have to look at what the EC might do, limited though the options were. Von Staden seemed rather more relaxed than I had expected over Namibia, and thought it still worth working hard for a settlement. He was a little more convinced than I am of South Africa's commitment to a solution, and of the chances of a solution to the Cuban problem. Von Staden listened to what I had to say about the Falklands and Argentina and said that the Germans understood our position and would do all they could to

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*Antony Acland*

---

19 April 1983

Antony Acland

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Foreign and Commonwealth Office

London SW1A 2AH

Sir Antony Acland KCMG KCVO  
Permanent Under-Secretary of State

19 April 1983

Sir Robert Armstrong GCB, CVO  
Cabinet Office  
70 Whitehall

*My dear Robert,*

ANGLO-GERMAN SUMMIT, 22 APRIL

1. I enclose a draft Game Plan for the Summit, in preparation for the Prime Minister's briefing meeting on 20 April. Under the new agreed arrangements, the Game Plan will be finalised immediately after that meeting by the Cabinet Office, in consultation with the Foreign and Commonwealth Office.
2. We have sent separately to the Cabinet Office a consolidated programme for the Summit, and a breakdown of topics for separate discussion by Ministers.

*Antony Acland*

Antony Acland

List of copy addressees attached





copy addressees:

Mr Coles,  
No 10 Downing Street

Peter Middleton Esq, CB  
HM Treasury

C A Whitmore Esq CVO  
Ministry of Defence

Sir Peter Carey GCB  
Department of Industry

M D M Franklin Esq CB CMG  
Department of Trade

Sir Kenneth Couzens KCB  
Department of Energy

M E Quinlan Esq CB  
Department of Employment

Sir Brian Hayes KCB  
Ministry of Agriculture, Fisheries and Food

Sir William Ryrie KCB  
Overseas Development Administration

Mr Goodall  
Cabinet Office



## ANGLO-GERMAN SUMMIT

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CONFIDENTIAL

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Secretary of State

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*Antony Acland*

---

19 April 1983

Antony Acland

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GRS 1285

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DESKDY 131500Z

FM BONN 131405Z APR 83

TO IMMEDIATE FCO

TELEGRAM NUMBER 377 OF 19 APRIL

INFO ROUTINE WASHINGTON MOSCOW PARIS UKDEL NATO

UKREP BRUSSELS

INFO SAVING ATHENS BRUSSELS COPENHAGEN DUBLIN THE HAGUE LUXEMBOURG

ROME

ANGLO-GERMAN SUMMIT 21/22 APRIL: THE VIEW FROM BONN

1. KOHL COMES TO LONDON SIX WEEKS AFTER HIS TRIUMPHANT ELECTION VICTORY: A WEEK AFTER HIS TRIP TO WASHINGTON, WHICH IS BEING PRESENTED HERE AS A SIGNIFICANT SUCCESS; AND TWO WEEKS BEFORE HIS NEW GOVERNMENT'S FIRST POLICY DECLARATION ON 4 MAY.
2. THE ELECTION VICTORY HAS GIVEN KOHL A PROSPECT OF BEING THE MAJOR FIGURE IN FEDERAL GERMAN POLITICS IN THE EIGHTIES. HE HAS COOLLY OUTPLAYED STRAUSS'S BID FOR SENIOR OFFICE IN BONN AND, BY RECENT STANDARDS, HIS COALITION NEGOTIATIONS WITH THE FDP AND CSU WERE REMARKABLY TROUBLE FREE. THE BROAD LINES OF DOMESTIC AND ECONOMIC POLICY WERE MAPPED OUT IN FAMILIAR TERMS AND KOHL AVOIDED ALL COMMITMENTS ON THE FEW POINTS IN FOREIGN POLICY (EG TOWARDS SOUTHERN AFRICA) WHERE THE CSU URGED NEW ACCENTS.
3. ECONOMICALLY, TOO, THINGS SEEM TO BE LOOKING UP. THE APPEARANCE OF BETTER INDICATORS IN LATE FEBRUARY HELPED KOHL TO WIN THE ELECTION. SINCE THEN ONE OR TWO INDICATORS HAVE BEEN LESS ENCOURAGING, AND THE CURRENT MOOD OF OPTIMISM MAY BE BETTER THAN THE UNDERLYING SITUATION. BUT THE PROSPECT SEEMS TO BE FOR RESUMED GROWTH OF GDP IN 1983 OF BETWEEN 0 AND ONE PERCENT, WITH INFLATION AT AROUND 3 PERCENT AND A HEALTHY BALANCE OF PAYMENTS SURPLUS. THESE DEVELOPMENTS WILL HELP THE GOVERNMENT WITH ITS AIMS OF GETTING PUBLIC EXPENDITURE UNDER CONTROL, BUT THE VERY CONSIDERABLE DIFFICULTIES OF THIS TASK WILL STRAIN THE SOCIAL CONSENSUS AT A TIME OF HIGH AND CONTINUING UNEMPLOYMENT. HOW KOHL WILL RESPOND TO THESE PRESSURES IS NOT YET CLEAR.
4. THE PRIME MINISTER WILL FIND INF AT THE CENTRE OF KOHL'S CONCERNS. IN HIS VIEW GROMYKO'S HASTY QUOTE NYET UNQUOTE TO REAGAN'S RECENT PROPOSALS FOR AN INTERIM AGREEMENT IS NOT TO BE TAKEN SERIOUSLY. IT IS UP TO THE RUSSIANS TO TAKE THE NEXT STEP. MEANWHILE KOHL, WHO INTENDS (BARRING TOTALLY UNEXPECTED REMOVAL OF ALL SOVIET SS2DS) THAT STATIONING SHOULD GO AHEAD ON TIME IN THE FRG, IS PREOCCUPIED BY THE NEED TO MAKE IT AS ACCEPTABLE AS POSSIBLE DOMESTICALLY. THE PROSPECTS FOR DEMONSTRATIONS WERE DESCRIBED IN MY TELEGRAM NO 16 SAVING. ONE THING KOHL CAN DO TO HELP DOMESTICALLY IS TO DEMONSTRATE THAT HE STANDS SHOULDER TO SHOULDER ON INF WITH OTHER

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WESTERN LEADERS. HE CONSIDERS THAT HE ACHIEVED THIS LAST WEEK WITH REAGAN AND WILL EXPECT TO DO THE SAME WITH THE PRIME MINISTER. THE OTHER FACTOR WHICH CAN INFLUENCE DOMESTIC REPERCUSSIONS OF STATIONING IS THE PERCEPTION IN THE FRG OF US EFFORTS IN NEGOTIATIONS. KOHL HAS MADE THE MOST OF REAGAN'S INTERIM PROPOSAL, WHILE CONTINUING TO DECLARE THAT A ZERO OUTCOME IS THE ULTIMATE AIM.

5. KOHL WILL WISH TO DISCUSS WITH THE PRIME MINISTER NOT ONLY THESE ASPECTS OF INF ITSELF BUT ALSO WAYS OF CREATING AN INTERNATIONAL CLIMATE WHICH WILL HELP HIM TO PERSUADE HIS PEOPLE THAT AMERICAN JUDGEMENTS ON EAST/WEST MATTERS CAN ACCORD WITH GERMAN AND EUROPEAN INTERESTS AND THAT DIALOGUE AND CONTACTS WITH THE EAST, WHICH ARE POPULAR IN THE FRG, CAN STILL CONTINUE USEFULLY. TO DEMONSTRATE THE LATTER IS A MAJOR PURPOSE OF KOHL'S DECISION TO VISIT MOSCOW SOON, IF POSSIBLE IN JULY. SO HE HAS A STRONG INTEREST IN A CDE, AND IN THE CONTINUATION OF THE CSCE PROCESS ON TERMS THAT CURRENTLY SEEM NEGOTIATABLE IN MADRID. HIS STAFF THINK HE PERSUADED REAGAN LAST WEEK THAT THIS WAS IN THE AMERICAN INTEREST TOO, BUT HE WILL BE WAITING ANXIOUSLY TO SEE IF IT PRODUCES A CHANGE IN AMERICAN POLICY.

6. ON US/EC ECONOMIC RELATIONS KOHL'S AIMS ARE TO IMPROVE THE CLIMATE AND PLAY DOWN THE DIFFERENCES, BUT NOT AT THE EXPENSE OF GERMAN INTERESTS. HIS SUPPORT FOR REAGAN ON INF AND STRATEGIC ISSUES GENERALLY GIVES HIM THE RIGHT TO DEMAND CONSIDERATION FOR GERMAN AND EUROPEAN INTERESTS IN THE ECONOMIC SPHERE. THE GERMANS BELIEVE THEY HAVE PERSUADED THE US NOT TO MAKE MAJOR DIFFICULTIES OVER EWER AT WILLIAMSBURG PROVIDED THAT THERE IS REAL PROGRESS TOWARDS SOLUTIONS BY THEN. THEY EMPHASISE THE NEED FOR WILLIAMSBURG TO BOOST CONFIDENCE IN THE WORLD TRADING SYSTEM, AND TO GIVE HOPE THAT THE PROBLEMS OF PROTECTIONISM, UNEMPLOYMENT, INTERNATIONAL DEBT AND ECONOMIC DEVELOPMENT IN THE THIRD WORLD CAN BE SUCCESSFULLY MANAGED. THEY BELIEVE THAT THIS PUTS EWER IN A MORE REALISTIC PERSPECTIVE AND DEMONSTRATES THE RANGE OF ISSUES ON WHICH THE WEST HAS COMMON INTERESTS AND SHOULD DEVELOP MUTUALLY SUPPORTIVE POLICIES. EAST/WEST ECONOMIC RELATIONS ARE ALSO RELEVANT IN KOHL'S MIND TO HIS MOSCOW VISIT: IF THERE IS ANOTHER TRANSATLANTIC ROW, HIS ABILITY TO CLAIM THAT HE GOES TO MOSCOW WITH THE FULL AGREEMENT OF THE WESTERN ALLIES ON ALL KEY SUBJECTS WILL BE BADLY UNDERMINED. HE WILL BE KEENLY INTERESTED TO CONCERT GENERAL TACTICS WITH THE PRIME MINISTER FOR WILLIAMSBURG, WHICH HE REGARDS AS THE MOST IMPORTANT INTERNATIONAL MEETING OF 1983.

7. AS FAR AS COMMUNITY AFFAIRS ARE CONCERNED, KOHL WANTS A SUCCESS AT STUTTGART: HE CONSIDERS IT NECESSARY FOR HIM, FOR THE GERMAN PRESIDENCY AND FOR THE COMMUNITY. THE GERMANS SEEM TO REGARD THE ENLARGEMENT AND FINANCIAL DOSSIERS AS BOTH THE MOST DIFFICULT AND THE ONES WHOSE RESOLUTION WOULD MAKE THE GREATEST CONTRIBUTION TO PROGRESS IN THE COMMUNITY. THE PROBLEMS OF UNEMPLOYMENT, THE INTERNAL MARKET, GENSCHER/COLOMBO, AND ENVIRONMENTAL DOSSIERS, ARE OF PARTICULAR IMPORTANCE TO THE

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GERMANS, PRESENTATIONALLY AS WELL AS SUBSTANTIVELY. ON THE FUTURE FINANCING OF THE COMMUNITY THE GERMANS NOW SEEM TO BE CLEAR THAT THEY NEED SOME KIND OF SAFETY NET AND FOR THE REST WILL BE HAPPY TO TRY TO BUILD A FINANCING SYSTEM AROUND THE IDEAS IN THE COMMISSION'S GREEN PAPER. ON A SOLUTION FOR 1983, THERE IS NO TENDENCY TO CALL KOHL'S COMMITMENT TO THE PRIME MINISTER INTO QUESTION. BUT THERE SEEMS TO BE SOME UNCERTAINTY ABOUT HOW BEST TO HANDLE THIS DIFFICULT SUBJECT IN DETAIL. KOHL WILL THEREFORE WANT TO DISCUSS TACTICS WITH THE PRIME MINISTER. HE WILL BE INTERESTED IN IDEAS FOR HANDLING THE FRENCH AND THE DANES, WHOM THE GERMANS SUSPECT MAY WANT TO PLAY THE PARLIAMENTARY CARD, AND ALSO IN HAVING A CLEARER IDEA ABOUT THE PRIME MINISTER'S PRECISE REQUIREMENTS IN JUNE. THE GERMANS ARE TALKING IN TERMS OF AGREEMENT ON QUOTE ORDERS OF MAGNITUDE UNQUOTE AT STUTTGART BUT HAVE NOT DEVELOPED IDEAS ABOUT HOW AGREEMENT ON THESE ORDERS OF MAGNITUDE (TROP PAYE ETC) SHOULD BE REACHED BEFORE THEN. KOHL WILL ALSO WANT TO HEAR FROM THE PRIME MINISTER HOW THE 1983 PROBLEM SHOULD BE HANDLED IN TERMS OF THE UK POLITICAL SITUATION.

8. ANGLO-GERMAN RELATIONS ARE AT A MOMENT OF OPPORTUNITY. THOUGH THE FRANCO-GERMAN RELATIONSHIP REMAINS INDISPENSIBLE TO THE GERMANS, PRESENT TENSION BETWEEN BONN AND PARIS CONSTRAIN THE RELATIONSHIP OF TRUST WITH THE FRENCH WHICH HAS EXISTED IN THE RECENT PAST. KOHL WILL BE THE MORE DETERMINED TO MAKE THE LONDON MEETING A PUBLIC DEMONSTRATION OF COMMUNITY OF VIEW BETWEEN THE TWO LEADING EUROPEAN COUNTRIES WITH CONSERVATIVE GOVERNMENTS. IF WE CAN RESPOND, THIS WEEK, TO GERMAN HELPFULNESS OVER THE COMMUNITY BUDGET BY GESTURES ON MATTERS OF IMPORTANCE TO THEM (SEE PREVIOUS PARA) IT MAY PAY LARGE DIVIDENDS. FINALLY, THERE IS THE KOHL FACTOR. KOHL SEEMS DISPOSED TO HELP US. THE PARALLELISM IN OUTLOOK AND POLICY BETWEEN HIS GOVERNMENT AND HMG IS A SOURCE OF COMFORT TO HIM. THE MORE WE CAN MAKE OF THIS, THE BETTER OUR CHANCES ARE OF ACHIEVING EFFECTIVE ANGLO-GERMAN CO-OPERATION BETWEEN NOW AND STUTTGART AND AT STUTTGART.

FCO PLEASE PASS SAVING ADDRESSEES.

TAYLOR

[REPEATED AS REQUESTED]

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FM WASHINGTON 200020Z APR 83

TO IMMEDIATE FCO

TELEGRAM NUMBER 1046 OF 19 APRIL

INFO IMMEDIATE BONN, PRIORITY PARIS, UKDEL NATO, MOSCOW, UKREP  
BRUSSELS, TOKYO, ROME, OTTAWA, UKDEL MADRID.

INFO SAVING OTHER NATO POSTS

MY TELNO 1020: CHANCELLOR KOHL'S VISIT TO WASHINGTON

THE N.S.C. STAFF HAVE GIVEN US A PARALLEL ACCOUNT OF KOHL'S MEETING WITH THE PRESIDENT. KOHL LAID PARTICULAR EMPHASIS ON HIS CONCERN THAT EAST/WEST ECONOMIC RELATIONS SHOULD NOT BECOME A DIVISIVE ISSUE AT THE WILLIAMSBURG SUMMIT. THE PRESIDENT SAID THAT THE US WAS NOT LOOKING FOR THIS SUBJECT TO BE GIVEN A HIGH PROFILE AT WILLIAMSBURG, PROVIDED THERE WERE SOLID ACHIEVEMENTS IN THE VARIOUS BODIES IN WHICH THE RELEVANT STUDIES WERE BEING CONDUCTED MEANWHILE (IN PARTICULAR THE COCOM HIGH LEVEL MEETING, THE OECD MINISTERIALS AND THE NATO STUDY). IF THESE SHOWED A GOOD PROGRESS OVER THE NEXT FEW WEEKS, THERE WOULD BE NO NEED FOR THIS TO BE MAJOR ISSUE AT WILLIAMSBURG. IF THEY SEEMED TO BE DRIFTING INTO NOTHING MORE THAN A BUREAUCRATIC EXERCISE, THERE WOULD BE CONCERN ON THE AMERICAN SIDE. THE NSC STAFF COMMENTED THAT THE GERMANS SUBSEQUENTLY, IN TALKING TO THE PRESS, LAID MOST OF THE EMPHASIS ON THE FIRST PART OF THIS MESSAGE. KOHL ASSURED THE PRESIDENT, HOWEVER, THAT HE WANTED TO SEE SERIOUS PROGRESS IN THE STUDIES.

2. KOHL EXPLAINED HIS INTENTIONS ABOUT A MEETING WITH ANDROPOV BEFORE THE SUMMER BREAK AND MADE CLEAR THAT HE WOULD BE TAKING A FIRM MESSAGE TO MOSCOW. HE WOULD NOT BE ACTING AS AN "INTERPRETER", OR PREPARING FOR A REAGAN/ANDROPOV MEETING BUT HE WONDERED WHETHER A WELL-PREPARED MEETING MIGHT NOT BE HELPFUL LATER IN THE YEAR. THE PRESIDENT GAVE THE STANDARD REPLY THAT A US/SOVIET SUMMIT COULD BE USEFUL IF AND ONLY IF, IT WAS WELL PREPARED AND CAPABLE OF PRODUCING TANGIBLE RESULTS.

3. ON INF, KOHL EMPHASISED HIS COMMITMENT TO THE DEPLOYMENT BUT ALSO THE NEED FOR MAXIMUM EFFORTS TO BE MADE IN THE NEGOTIATIONS. HE WAS FIRM ON THE NEED TO RETAIN PERSHING IIS IN THE DEPLOYMENT MIX (NOT LEAST TO ENSURE THAT DEPLOYMENT IN THE FRG TOOK PLACE ON SCHEDULE AT THE END OF THE YEAR).

4. THE PRESIDENT AND THE CHANCELLOR EXPRESSED SOME OPTIMISM ABOUT THE U.S. ECONOMY AND THE PROSPECTS FOR NON-INFLATIONARY GROWTH. ON US/EC ECONOMIC ISSUES, KOHL AND THE PRESIDENT AGREED THAT THERE WAS A NEED TO TRY TO SORT OUT AGRICULTURE "AS WE HAVE DONE STEEL". THERE WAS SOME REFERENCE TO THE DISPOSITION OF AGRICULTURE MINISTERS TO SHARPEN RATHER THAN RESOLVE DIFFERENCES. THE DISCUSSION, OFFICIALS COMMENTED, WAS AT A HIGH LEVEL OF GENERALITY. THE EXPORT ADMINISTRATION ACT AND EXTRA-TERRITORIALITY WERE NOT RAISED.

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5. ON THE C.S.C.E., PLEASE SEE M.I.F.T.

6. WHITE HOUSE STAFF COMMENTED THAT THIS WAS A GOOD MEETING. THE PRESIDENT AND KOHL GET ON WELL TOGETHER. THERE IS, HOWEVER, SOME MUTUAL DISPOSITION NOT TO RAISE CONTENTIOUS ISSUES. THERE IS A RECOGNITION IN THE WHITE HOUSE, THAT WE ARE "GETTING THROUGH THE HONEYMOON PERIOD" AND THAT THERE ARE MAJOR AREAS WHERE US AND GERMAN INTERESTS DIVERGE: BUT A CONTINUING SENSE OF RELIEF THAT IT IS A GREAT DEAL EASIER TO SEEK PRACTICAL SOLUTIONS AND AVOID ENVENOMING THOSE DIFFERENCES WITH KOHL THAN IT WAS WITH SCHMIDT.

FCO PASS SAVING: ANKARA, ATHENS, BRUSSELS, COPENHAGEN, LISBON, LUXEMBOURG, OSLO, REYKJAVIK, THE HAGUE, UKDEL VIENNA.

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10 DOWNING STREET

*Germany*  
*Khol.*  
From the Private Secretary

*fel' ve*  
19 April 1983

ANGLO/GERMAN SUMMIT

Thank you for your letter of 18 April.

Dinner on 21 April

We shall invite a total of 14 on the German side including the 8 most senior officials. According to the protocol list which you sent me separately these are:

Herr Lothar Ruhl  
Dr Jurgen Ruhfus  
Herr Jurgen Sudhoff  
Dr Waldemar Mueller Thuns  
Dr Franz Pfeffer  
Dr Klaus Zeller  
Dr Winfrid Heck  
Dr Rudolf Miller

The British team at the dinner will depend on how many of the British "outsiders" who have been invited accept their invitations. Sir Robert Armstrong, Sir Antony Acland, Sir Jock Taylor and Clive Whitmore are being invited now.

Lunch on 22 April

The Prime Minister does not wish to give another large meal. We shall therefore invite all the Ministers, the two Ambassadors and two Private Secretaries only.

Plenary Session

We shall have to restrict numbers somewhat. On the United Kingdom side, as you suggest, each Minister may be accompanied by one official. In addition, Sir Jock Taylor and Andrew Wood (note-taker) should attend. On the German side we will accommodate one official per Minister, the Ambassador, the Chief Government spokesman, a notetaker plus up to 5 more officials.

I should be grateful if these arrangements could be made clear to the German side.

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- 2 -

I am copying this letter to the Private Secretaries to the Chancellor of the Exchequer, the Secretaries of State for Trade, Energy, Industry, Defence and Employment and Sir Robert Armstrong.

*PK*

R.B. Bone, Esq.,  
Foreign and Commonwealth Office.

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Foreign and Commonwealth Office

London SW1A 2AH

18 April, 1983

*John Taylor*

Anglo/German Summit: 21-22 April

Thank you for your letter of 14 April.

Dinner on 21 April

You already have a list of 24 possible outside participants for the Prime Minister's dinner on 21 April. I now enclose, as agreed, a list of possible reserves. I also enclose separate lists of German and British Ministers and officials who might be invited. The German list is based on an incomplete, provisional list of names supplied by the German Embassy. You should know that when the Department told the German Embassy that they might expect the Chancellor, the five Ministers accompanying him and six officials (12 in all) to be invited, the Embassy said they were sure the Chancellor would be most grateful if two more German officials could be added, ie making 14 altogether ✓ on the German side.

Lunch on 22 April

On the assumption that numbers are restricted, you may think it right to include, in addition to the seven British Ministers involved, Sir Robert Armstrong, Sir Antony Acland, Sir J Bullard and Sir Jock Taylor on our side (11 in all). On the German side, in addition to Chancellor Kohl and the five Ministers accompanying him, the German Ambassador and four officials might be invited. The list enclosed offers further suggestions should you decide to increase the numbers.

Plenary Session at 1145 in the Cabinet Room on 22 April

I enclose a suggested list for attendance at the plenary session. If you attach importance to restricting numbers you may think it right on the UK side to allow for no more than the Ambassador, one official to each Minister, and a notetaker (Mr Wood, Head of Western European Department). The Germans will hope that we can accommodate at least one official to each of their Ministers, the Ambassador, and Herr Stolze, Chief Government Spokesman (who has the right to attend all Cabinet meetings in Germany), and a notetaker. If it were possible to be more flexible, this would allow the inclusion of a few additional officials from each side, sitting behind.

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We will of course be arranging hospitality for those senior German officials not invited to the dinner and lunch given by the Prime Minister.

*Yours ever,*

*R B Bone*

(R B Bone)  
Private Secretary

A J Coles Esq  
10 Downing Street



(Reserves)

LUNCH )

) in honour of *Dr. Helmut Kohl* ..... (name),

DINNER )

) *Chancellor of the Federal Republic of Germany* ..... (position),at *No. 10 Downing Street* ..... (place),on *21 April* ..... (day) ..... *1983* ..... (date),at *20.15 to 20.30* ..... (time)

Full name, title and Decorations	Address	Reason for invitation
Ms Barbara Beck Secretary, Anglo-German Foundation	Anglo-German Foundation 17 Bloomsbury Square WC1  404 3137	for Lord Croham
Sir John Burgh Director General, British Council	10 Spring Gardens SW1  Tel: 930 8466	for Sir Charles Troughton
Colonel Jonathan Alford Deputy Director, International Institute for Strategic Studies	23 Tavistock Street WC2E 7NQ  Tel: 379 7676	for Christoph Bertram
Mr Correlli D Barnett MA FRSL Fellow of Churchill College, Cambridge	Catbridge House East Carleton, Norwich  Tel: 050 87410	for Professor Dahrendorf or Professor Mommsen
Rt Hon the Lord Dacre of Glanton Master, Peterhouse, <del>College</del> , Cambridge	Peterhouse <del>College</del> Cambridge  Tel: 0223 359256	for A J P Taylor
Professor Michael Howard CBE Regius Professor of Modern History, Oxford	Oriel College Oxford OX1 4EW  Tel: Oxford 241651	for A J P Taylor
Mr Roger Berthoud Correspondent for the Times	The Times New Printing House Square Grays Inn Road WC1C 8HB  Tel: 837 1234	for Mr Malcolm Rutherford



Full name, title and decorations	Address	Reason for invitation
Miss Nora Beloff Journalist	59 Blair Court Boundary Road NW8 6NT  Tel: 586 0378	for Sir Robin Day
Miss Mary Goldring freelance economist	c/o BBC Portland Place W1  Tel: 580 4468	for Sir Robin Day
Sir <sup>Brooks</sup> <del>Francis</del> Richards KCMG former Minister, Bonn former Ambassador, Saigon, Athens	The Ranger's House Farnham Surrey  Tel: 0252716764 (01 834 5170)	for Sir N Henderson
Rt Hon Roy Jenkins MP	House of Commons  Tel: 219 3000	for Rt Hon David Steel
[ Rt Hon Shirley Williams MP	c/o House of Commons  Tel: 219 3000	for Rt Hon David Steel
Rt Hon William Rodgers MP	48 Patshull Road NW5 <i>or do House of Commons</i> Tel: 485 9997	for Rt Hon David Steel
Rt Hon Peter Shore MP	House of Commons SW1  Tel: 219 3000	for Rt Hon Denis Healey
Mr Raymond Whitney OBE MP	House of Commons SW1  Tel: 219 3000	for Mr Nigel Forman or Mrs Lynda Chalker
Sir John Boyd CBE General Secretary, Amalgamated Union of Engineering Workers	AUEW 110 Peckham Road SE15 5EL  Tel: 703 4231	for Lord Gormley



Full name, title and decorations	Address	Reason for invitation
<p>Mr Geoffrey Chandler Director General, National Economic Development Office</p>	<p>National Economic Development CNCL Millbank Tower Millbank SW19 4QX</p> <p>Tel: 211 3000</p>	<p>for Mr Michael Kaser</p>
<p>Mr Klaus Balzer Director, German Chamber of Commerce</p>	<p>12-13 Suffolk Street SW1Y 4HG</p> <p>Tel: 930 7251</p>	<p>for Herr Steffens</p>
<p>Lord <del>Anthony</del> Barber Chairman, Standard Chartered Bank Plc Director, British Petroleum</p>	<p>Standard Chartered Bank Plc EC4</p> <p>Tel: 623 7500</p>	<p>Additional Industrialists</p>
<p>Sir Hector Laing Chairman, United Biscuits, Director, Court of the Bank of England</p>	<p>High Meadows Windsor Road Gerrards Vross Bucks</p> <p>Tel: Gerrards Cross 82437</p>	
<p>Lord <del>Robert</del> Shackleton OBE Director, RTZ Development Enterprises</p>	<p>RTZ Corporation 6 St James's Square SW1Y 4LD</p> <p>Tel: 930 2399</p>	
<p>Sir Barrie Heath, Director, Barclays Bank <i>GKN</i></p>	<p>GKN House 22 Kingsway WC2B 6LG</p> <p>Tel: 242 1616</p>	
<p>Sir Jeremy Morse KCMG Chairman, Lloyds Bank</p>	<p>102a Drayton Gardens SW10</p> <p>Tel: 370 2265</p>	





DINNER ON 21 APRIL AT 10 DOWNING STREET, 2015 FOR 2030

German Ministers

[Guest of Honour: The Federal Chancellor]

Herr Genscher (Foreign Affairs)

Count Lambsdorff (Economic)

Herr Stoltenberg (Finance)

Herr Bluem (Labour)

Herr Woerner (Defence)

(6)

German Officials

Herr Teltschik (Federal Chancellor's Office)  
or if he does not attend the Summit

Herr Zeller

Dr Jurgen Ruhfus (German Ambassador)

Dr Heck (AUS, Ministry of Finance)

Herr Rührt (State Secretary, Ministry of Defence)

Herr Mueller Thuns (AUS, Ministry of Economics)

Dr Rudolf Miller (Ministry of Labour)

(6)

[Dr Kohl will bring Herr Weber and Herr Genscher  
Mrs Siebourg as their interpreters]

For any additional places the Germans are likely to suggest:

Herr Stolze (State Secretary and Government Spokesman who  
always attends Cabinet)

and

Herr Pfeffer (DUS Political at the Ministry of Foreign Affairs

or

Dr Fischer (DUS Economic at the Ministry of Foreign Affairs).





DINNER ON 21 APRIL AT 10 DOWNING STREET, 2015 FOR 2030

British Ministers

[Host: The Prime Minister]

Sir Geoffrey Howe

Lord Cockfield

Mr Pym

Mr Lawson

Mr Jenkin

Mr Tebbit

Mr Heseltine

(8)

British Officials

Sir Robert Armstrong (Secretary to the Cabinet) ✓

Sir Jock Taylor (British Ambassador) ✓

Sir Antony Acland (FCC) ✓

Sir Julian Bullard (FCO)

(4)

Mr P E Middleton (Treasury) )

Mr C A Whitmore (MOD) ✓ )

Mr M D M Franklin (Trade) )

Mr Quinlan (Employment) )

Sir Kenneth Couzens (Energy) )

Sir Peter Carey (Industry) )

)Possible additions:

)Their Ministers are attending the Summit

(6)





PLENARY SESSION AT NO 10 DOWNING STREET (CABINET ROOM)

1145 HRS ON FRIDAY, 22 APRIL

British Side

The Prime Minister

Mr Pym

Lord Cockfield

Mr Jenkin

Mr Lawson

Sir Geoffrey Howe

Mr Tebbitt

Mr Heseltine

Sir Jock Taylor (Ambassador)

Sir Robert Armstrong (Cabinet)

Sir Antony Acland/or

Sir Julian Bullard (FCO)

Mr Franklin (Trade)

Sir Peter Carey (Industry)

Sir Kenneth Couzens (Energy)

Mr Middleton (Treasury)

Mr Quinlan (Employment)

Mr Whitmore (Defence)

Mr Butler/Mr Coles (No 10)

Mr Wood (FCO, Notetaker)

German Side

Chancellor Kohl (Herr Weber,  
Interpreter)

Herr Genscher (Mrs Siebourg,  
Interpreter)

Graf Lambsdorff

Herr Stoltenberg

Herr Bluem (Interpreter)

Herr Woerner

Dr Jürgen Ruhfus (Ambassador)

Herr Stolze (Chief Spokesman)

Herr Teltschik or

Herr Zeller (Cancellor's Office)

Herr Neuer (Chancellor's Office)

Herr Pfeffer

Dr Fischer ) (Foreign Ministry)

Herr Mueller Thuns (Economics)

Dr Heck (Finance)

Dr Miller (Labour)

Herr Rühl (Defence)

Herr Schenk (Foreign Ministry,  
Notetaker)



GERMANY: Visit by W.G. Chamella (Dr Kshir) ...  
to the UK  
PA 7



9 APR. 1983





Prime Minister

A.S.C. 14/4.

MO 14/3

PRIME MINISTERANGLO/GERMAN SUMMIT

At this evening's meeting of my Ministerial Group on nuclear weapons and public opinion, we reviewed the handling of the media over the next week and agreed that it would be very helpful if the INF issue could be given prominence at your joint press conference with Chancellor Kohl on Friday. You might take the line that we are in close touch with the German Government on this issue, that both countries are anxious to achieve a satisfactory arms control agreement, but that this will come about only if the Russians believe that NATO countries are committed to deployment of cruise and Pershing missiles.

2. I mention this in writing because I shall unfortunately miss your briefing meeting as I shall be away visiting Royal Air Force units.

3. I am copying this minute to the Foreign and Commonwealth Secretary, to the other members of my group and to Sir Robert Armstrong.

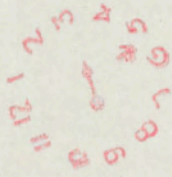
*WJA*

Ministry of Defence  
18th April 1983

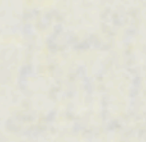




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Ps  
Ps/Inf. Dept  
Ps/Lead Belstead  
Sir J. Bullard.  
Mr Goodson  
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TO IMMEDIATE FCO

TELEGRAM NUMBER 377 OF 18 APRIL

INFO ROUTINE WASHINGTON MOSCOW PARIS UKDEL NATO

UKREP BRUSSELS

INFO SAVING ATHENS BRUSSELS COPENHAGEN DUBLIN THE HAGUE LUXEMBOURG  
ROME

ANGLO-GERMAN SUMMIT 21/22 APRIL: THE VIEW FROM BONN

1. KOHL COMES TO LONDON SIX WEEKS AFTER HIS TRIUMPHANT ELECTION  
VICTORY: A WEEK AFTER HIS TRIP TO WASHINGTON, WHICH IS BEING  
PRESENTED HERE AS A SIGNIFICANT SUCCESS: AND TWO WEEKS BEFORE  
HIS NEW GOVERNMENT'S FIRST POLICY DECLARATION ON 4 MAY.

~~THE ELECTION VICTORY HAS GIVEN KOHL A PROSPECT OF BEING THE MAJOR~~



2. THE ELECTION VICTORY HAS GIVEN KOHL A PROSPECT OF BEING THE MAJOR FIGURE IN FEDERAL GERMAN POLITICS IN THE EIGHTIES. HE HAS COOLLY OUTPLAIED STRAUSS'S BID FOR SENIOR OFFICE IN BONN AND, BY RECENT STANDARDS, HIS COALITION NEGOTIATIONS WITH THE FDP AND CSU WERE REMARKABLY TROUBLE FREE. THE BROAD LINES OF DOMESTIC AND ECONOMIC POLICY WERE MAPPED OUT IN FAMILIAR TERMS AND KOHL AVOIDED ALL COMMITMENTS ON THE FEW POINTS IN FOREIGN POLICY (EG TOWARDS SOUTHERN AFRICA) WHERE THE CSU URGED NEW ACCENTS.

3. ECONOMICALLY, TOO, THINGS SEEM TO BE LOOKING UP. THE APPEARANCE OF BETTER INDICATORS IN LATE FEBRUARY HELPED KOHL TO WIN THE ELECTION. SINCE THEN ONE OR TWO INDICATORS HAVE BEEN LESS ENCOURAGING, AND THE CURRENT MOOD OF OPTIMISM MAY BE BETTER THAN THE UNDERLYING SITUATION. BUT THE PROSPECT SEEMS TO BE FOR RESUMED GROWTH OF GDP IN 1983 OF BETWEEN 0 AND ONE PERCENT, WITH INFLATION AT AROUND 3 PERCENT AND A HEALTHY BALANCE OF PAYMENTS SURPLUS. THESE DEVELOPMENTS WILL HELP THE GOVERNMENT WITH ITS AIMS OF GETTING PUBLIC EXPENDITURE UNDER CONTROL, BUT THE VERY CONSIDERABLE DIFFICULTIES OF THIS TASK WILL STRAIN THE SOCIAL CONSENSUS AT A TIME OF HIGH AND CONTINUING UNEMPLOYMENT. HOW KOHL WILL RESPOND TO THESE PRESSURES IS NOT YET CLEAR.

4. THE PRIME MINISTER WILL FIND INF AT THE CENTRE OF KOHL'S CONCERNS. IN HIS VIEW GROMYKO'S HASTY QUOTE NYET UNQUOTE TO REAGAN'S RECENT PROPOSALS FOR AN INTERIM AGREEMENT IS NOT TO BE TAKEN SERIOUSLY. IT IS UP TO THE RUSSIANS TO TAKE THE NEXT STEP. MEANWHILE KOHL, WHO INTENDS (BARRING TOTALLY UNEXPECTED REMOVAL OF ALL SOVIET SS20S) THAT STATIONING SHOULD GO AHEAD ON TIME IN THE FRG, IS PREOCCUPIED BY THE NEED TO MAKE IT AS ACCEPTABLE AS POSSIBLE DOMESTICALLY. THE PROSPECTS FOR DEMONSTRATIONS WERE DESCRIBED IN MY TELEGRAM NO 16 SAYING. ONE THING KOHL CAN DO TO HELP DOMESTICALLY IS TO DEMONSTRATE THAT HE STANDS SHOULDER TO SHOULDER ON INF WITH OTHER WESTERN LEADERS. HE CONSIDERS THAT HE ACHIEVED THIS LAST WEEK WITH REAGAN AND WILL EXPECT TO DO THE SAME WITH THE PRIME MINISTER. THE OTHER FACTOR WHICH CAN INFLUENCE DOMESTIC REPERCUSSIONS OF STATIONING IS THE PERCEPTION IN THE FRG OF US EFFORTS IN NEGOTIATIONS. KOHL HAS MADE THE MOST OF REAGAN'S INTERIM PROPOSAL, WHILE CONTINUING TO DECLARE THAT A ZERO OUTCOME IS THE ULTIMATE AIM.

5. KOHL WILL WISH TO DISCUSS WITH THE PRIME MINISTER NOT ONLY THESE ASPECTS OF INF ITSELF BUT ALSO WAYS OF CREATING AN INTERNATIONAL CLIMATE WHICH WILL HELP HIM TO PERSUADE HIS PEOPLE THAT AMERICAN JUDGEMENTS ON EAST/WEST MATTERS CAN ACCORD WITH GERMAN AND EUROPEAN INTERESTS AND THAT DIALOGUE AND CONTACTS WITH THE EAST, WHICH ARE POPULAR IN THE FRG, CAN STILL CONTINUE USEFULLY. TO DEMONSTRATE THE LATTER IS A MAJOR PURPOSE OF KOHL'S DECISION TO VISIT MOSCOW SOON, IF POSSIBLE IN JULY. SO HE HAS A STRONG INTEREST IN A CDE, AND IN THE CONTINUATION OF THE CSCE PROCESS ON TERMS THAT CURRENTLY SEEM NEGOTIATABLE IN MADRID. HIS STAFF THINK HE PERSUADED REAGAN LAST WEEK THAT THIS WAS IN THE AMERICAN INTEREST TOO, BUT HE WILL BE WAITING ANXIOUSLY TO SEE IF IT PRODUCES A CHANGE IN AMERICAN POLICY.

6. ON US/EC ECONOMIC RELATIONS KOHL'S AIMS ARE TO IMPROVE THE CLI-



~~ON US/EC ECONOMIC RELATIONS~~ KOHL'S AIMS ARE TO IMPROVE THE CLIMATE AND PLAY DOWN THE DIFFERENCES, BUT NOT AT THE EXPENSE OF GERMAN INTERESTS. HIS SUPPORT FOR REAGAN ON INF AND STRATEGIC ISSUES GENERALLY GIVES HIM THE RIGHT TO DEMAND CONSIDERATION FOR GERMAN AND EUROPEAN INTERESTS IN THE ECONOMIC SPHERE. THE GERMANS BELIEVE THEY HAVE PERSUADED THE US NOT TO MAKE MAJOR DIFFICULTIES OVER EWER AT WILLIAMSBURG PROVIDED THAT THERE IS REAL PROGRESS TOWARDS SOLUTIONS BY THEN. THEY EMPHASISE THE NEED FOR WILLIAMSBURG TO BOOST CONFIDENCE IN THE WORLD TRADING SYSTEM, AND TO GIVE HOPE THAT THE PROBLEMS OF PROTECTIONISM, UNEMPLOYMENT, INTERNATIONAL DEBT AND ECONOMIC DEVELOPMENT IN THE THIRD WORLD CAN BE SUCCESSFULLY MANAGED. THEY BELIEVE THAT THIS PUTS EWER IN A MORE REALISTIC PERSPECTIVE AND DEMONSTRATES THE RANGE OF ISSUES ON WHICH THE WEST HAS COMMON INTERESTS AND SHOULD DEVELOP MUTUALLY SUPPORTIVE POLICIES. EAST/WEST ECONOMIC RELATIONS ARE ALSO RELEVANT IN KOHL'S MIND TO HIS MOSCOW VISIT: IF THERE IS ANOTHER TRANSATLANTIC ROW, HIS ABILITY TO CLAIM THAT HE GOES TO MOSCOW WITH THE FULL AGREEMENT OF THE WESTERN ALLIES ON ALL KEY SUBJECTS WILL BE BADLY UNDERMINED. HE WILL BE KEENLY INTERESTED TO CONCERT GENERAL TACTICS WITH THE PRIME MINISTER FOR WILLIAMSBURG, WHICH HE REGARDS AS THE MOST IMPORTANT INTERNATIONAL MEETING OF 1983.

E/W economic relations

7. AS FAR AS COMMUNITY AFFAIRS ARE CONCERNED, KOHL WANTS A SUCCESS AT STUTTGART: HE CONSIDERS IT NECESSARY FOR HIM, FOR THE GERMAN PRESIDENCY AND FOR THE COMMUNITY. THE GERMANS SEEM TO REGARD THE ENLARGEMENT AND FINANCIAL DOSSIERS AS BOTH THE MOST DIFFICULT AND THE ONES WHOSE RESOLUTION WOULD MAKE THE GREATEST CONTRIBUTION TO PROGRESS IN THE COMMUNITY. THE PROBLEMS OF UNEMPLOYMENT, THE INTERNAL MARKET, GENSCHER/COLOMBO, AND ENVIRONMENTAL DOSSIERS, ARE OF PARTICULAR IMPORTANCE TO THE GERMANS, PRESENTATIONALLY AS WELL AS SUBSTANTIVELY. ON THE FUTURE FINANCING OF THE COMMUNITY THE GERMANS NOW SEEM TO BE CLEAR THAT THEY NEED SOME KIND OF SAFETY NET AND FOR THE REST WILL BE HAPPY TO TRY TO BUILD A FINANCING SYSTEM AROUND THE IDEAS IN THE COMMISSION'S GREEN PAPER. ON A SOLUTION FOR 1983, THERE IS NO TENDENCY TO CALL KOHL'S COMMITMENT TO THE PRIME MINISTER INTO QUESTION. BUT THERE SEEMS TO BE SOME UNCERTAINTY ABOUT HOW BEST TO HANDLE THIS DIFFICULT SUBJECT IN DETAIL. KOHL WILL THEREFORE WANT TO DISCUSS TACTICS WITH THE PRIME MINISTER. HE WILL BE INTERESTED IN IDEAS FOR HANDLING THE FRENCH AND THE DANES, WHOM THE GERMANS SUSPECT MAY WANT TO PLAY THE PARLIAMENTARY CARD, AND ALSO IN HAVING A CLEARER IDEA ABOUT THE PRIME MINISTER'S PRECISE REQUIREMENTS IN JUNE. THE GERMANS ARE TALKING IN TERMS OF AGREEMENT ON QUOTE ORDERS OF MAGNITUDE UNQUOTE AT STUTTGART BUT HAVE NOT DEVELOPED IDEAS ABOUT HOW AGREEMENT ON THESE ORDERS OF MAGNITUDE (TROP PAYE ETC) SHOULD BE REACHED BEFORE THEN. KOHL WILL ALSO WANT TO HEAR FROM THE PRIME MINISTER HOW THE 1983 PROBLEM SHOULD BE HANDLED IN TERMS OF THE UK POLITICAL SITUATION.

8. ANGLO-GERMAN RELATIONS ARE AT A MOMENT OF OPPORTUNITY. THOUGH THE FRANCO-GERMAN RELATIONSHIP REMAINS INDISPENSIBLE TO THE GERMANS, PRESENT TENSION BETWEEN BONN AND PARIS CONSTRAIN THE RELATIONSHIP OF TRUST WITH THE FRENCH WHICH HAS EXISTED IN THE RECENT PAST. KOHL WILL BE THE MORE DETERMINED TO MAKE THE LONDON MEETING A PUBLIC DEMONSTRATION OF COMMUNITY OF VIEW BETWEEN THE



~~KNOWNSHIP OF TRUST WITH THE FRENCH WHICH HAS EXISTED IN THE RECENT PAST. KOHL WILL BE THE MORE DETERMINED TO MAKE THE LONDON MEETING A PUBLIC DEMONSTRATION OF COMMUNITY OF VIEW BETWEEN THE TWO LEADING EUROPEAN COUNTRIES WITH CONSERVATIVE GOVERNMENTS. IF WE CAN RESPOND, THIS WEEK, TO GERMAN HELPFULNESS OVER THE COMMUNITY BUDGET BY GESTURES ON MATTERS OF IMPORTANCE TO THEM (SEE PREVIOUS PARA) IT MAY PAY LARGE DIVIDENDS. FINALLY, THERE IS THE KOHL FACTOR. KOHL SEEMS DISPOSED TO HELP US. THE PARALLELISM IN OUTLOOK AND POLICY BETWEEN HIS GOVERNMENT AND HMG IS A SOURCE OF COMFORT TO HIM. THE MORE WE CAN MAKE OF THIS, THE BETTER OUR CHANCES ARE OF ACHIEVING EFFECTIVE ANGLO-GERMAN CO-OPERATION BETWEEN NOW AND STUTTGART AND AT STUTTGART.~~

FCO PLEASE PASS SAVING ADDRESSEES.

TAYLOR

CCN: PARAGRAPH 8 LINE 12 SHOULD READ QUOTE ... AND HMG IS A SOURCE OF ... ETC, ERROR REGRETTED.

NNNN

SENTAT 19 181528Z LCD



CONFIDENTIAL

FM WASHINGTON 161830Z APR 83

TO PRIORITY FCO

TELEGRAM NUMBER 1020 OF 16 APRIL

INFO PRIORITY BONN, PARIS, MOSCOW, UKDEL NATO, UKREP BRUSSELS,  
TOKYO, ROME, OTTAWA.

INFO SAVING OTHER EC POSTS

## CHANCELLOR KOHL'S VISIT, 14-15 APRIL

THE GERMAN AMBASSADOR GAVE A COMMUNITY BRIEFING ON 16 APRIL.

2. KOHL AND GENSCHER HAD HAD A WORKING DINNER WITH SHULTZ AND HIS SENIOR ADVISORS ON 14 APRIL: BREAKFAST WITH VICE PRESIDENT BUSH ON 15 APRIL: AND MEETING WITH LEADING SENATORS, INCLUDING BAKER, PERCY, AND KENNEDY: LUNCH WITH THE PRESIDENT, HIS WHITE HOUSE ADVISERS, AND WEINBERGER AND A SEPARATE SESSION WITH WEINBERGER.

3. THE TALKS HAD CONCENTRATED ON CURRENTLY SECURITY PROBLEMS AND THE WILLIAMSBURG SUMMIT. KOHL HAD EMPHASISED THAT NATO'S DOUBLE DECISION SHOULD BE IMPLEMENTED IN 1983 IN BOTH ITS PARTS. DEPLOYMENT WAS AS IMPORTANT AS ARMS CONTROL. NO OTHER ISSUE SHOULD DISTRACT THE ALLIES' ATTENTION. CONSULTATION WITHIN THE ALLIANCE OVER THE LAST YEAR HAD BEEN EXEMPLARY AND SHOULD CONTINUE. KOHL BELIEVED THAT THE ALLIANCE SHOULD STILL GO FOR THE ZERO OPTION, IF NECESSARY STEP BY STEP, HE DID NOT THINK THE RUSSIANS HAD SAID THEIR LAST WORD ON THE LATEST US PROPOSALS. THEY WOULD PLAY POKER UNTIL THE FIRST DEPLOYMENT TOOK PLACE, AND WOULD STEP UP THEIR PROPAGANDA MEANWHILE. BUT THEY WOULD EVENTUALLY HAVE TO COMPROMISE. DESPITE DIFFICULTIES WITH EUROPEAN (AND PERHPAS AMERICAN) PUBLIC OPINION, THE EUROPEANS WERE FIRM: KOHL HAD BEEN IN CLOSE TOUCH WITH MITTERRAND AND OTHER EUROPEAN LEADERS.

4. KOHL HAD TOLD THE AMERICANS THAT ONE SIGN OF SOVIET REALISM HAD BEEN THE INVITATION THEY HAD ISSUED IMMEDIATELY AFTER HIS ELECTION. HE PROPOSED TO VISIT MOSCOW BEFORE THE SUMMER RECESS (THE AMERICANS HAD NOT DEMURRED). HE HAD SUGGESTED THAT REAGAN TOO SHOULD MEET ANDROPOV AT THE APPROPRIATE TIME, PROVIDED THE MEETING WERE WELL PREPARED AND PROMISED RESULTS.

5. KOHL HAD TOLD THE AMERICANS THAT THE EUROPEANS GENERALLY WANTED A POSITIVE CONCLUSION TO THE CSCE. THEY ATTACHED AS MUCH IMPORTANCE AS THE AMERICANS TO HUMAN RIGHTS, NOT ONLY FOR PROMINENT DISSIDENTS BUT ALSO FOR ORDINARY PEOPLE, SUCH AS JEWS AND GERMANS SEEKING TO EMIGRATE. A MEETING ON HUMAN RIGHTS HAD NOW BEEN AGREED IN MADRID. THE CSCE WORDING WAS NOT ENTIRELY SATISFACTORY, BUT KOHL HOPED SOMETHING COULD BE WORKED OUT.

6. IT WOULD BE USEFUL IF IT COULD NOW BE AGREED IN MADRID THAT THE CDE SHOULD TAKE PLACE AT THE TURN OF THE YEAR. EUROPEAN OPINION WOULD BE REASSURED IF THE SOVIETS ATTENDED, AND ALIENATED IF THEY DID NOT. EITHER WAY WOULD HELP WITH INF DEPLOYMENT.



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7. THE DISCUSSION WITH THE PRESIDENT ON WILLIAMSBURG HAD BEEN UNSUBSTANTIAL AND SURPRISINGLY LOW KEY. KOHL HAD ARGUED THAT THE SUMMIT SHOULD DISCUSS THE TRADITIONAL ECONOMIC SUBJECTS, AND AVOID EMPHASISING DIVISIVE PROBLEMS. HE ACCEPTED THAT EAST-WEST ECONOMIC RELATIONS WOULD BE RAISED, BUT HAD REMARKED THAT THE VERSAILLES EXPERIENCE SHOULD ACT AS A DETERRENT, THE SUBJECT SHOULD NOT BE GIVEN PRIORITY, AND THE MEDIA SHOULD NOT BE LED TO EXPECT RESULTS. REAGAN HAD AGREED ON THE NEED TO AVOID CONTROVERSY; HE HOPED THAT SUFFICIENT PROGRESS COULD BE MADE BEFOREHAND SO THAT THE SUMMIT COULD SIMPLY TAKE NOTE. THE GERMANS HAD CONCLUDED THAT THE AMERICANS WOULD NOW PRESS EVEN HARDER FOR EARLY PROGRESS IN COCOM, OECD, AND ELSEWHERE.

8. IN ANSWER TO QUESTIONS, HERMES SAID THAT KOHL HAD BRIEFLY MENTIONED THE EC/US AGRICULTURE DISPUTE, ARGUING THAT THIS AND OTHER ECONOMIC ISSUES WOULD NOT SIMPLY GO AWAY BUT NEEDED TO BE KEPT IN PERSPECTIVE: ALLIED COHESION WAS MORE IMPORTANT. HE HAD NOT RAISED THE EXPORT ADMINISTRATION ACT, THOUGH THE GERMAN EMBASSY HAD PRESSED HIM TO (HERMES SUGGESTED THORN SHOULD SPEAK ON HIS FORTHCOMING VISIT). THERE HAD BEEN NO SUBSTANTIAL TALK OF POLAND OR THE MIDDLE EAST.

9. WE SHALL REPORT US REACTIONS SEPARATELY.

ADVANCE BULLARD, THOMAS, GILLMORE, WOOD (WED).

FCO PASS SAVING: ATHENS, BRUSSELS, COPENHAGEN, DUBLIN, LUXEMBOURG, THE HAGUE.

WRIGHT

(REPEATED AS REQUESTED)

STANDARD  
WED  
NAD  
ECD  
CSCE UNIT  
EESD  
ERD  
MR THOMAS  
CABINET OFFICE

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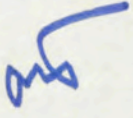
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Qz.03077

MR COLES *AR 15/4*

cc: Mr Kerr  
Mr Bone  
Mr Lawson  
Sir Robert Armstrong

CHANCELLOR KOHL AND THE EUROPEAN COMMUNITY

The general brief for next week's Summit, submitted by the Foreign and Commonwealth Office, says:-

"Relations between London and Bonn have rarely been closer; those between Bonn and Paris are less intimate than for a long time."

The Prime Minister might be interested in a few words of explanation.

2. When Herr Schmidt was Federal Chancellor, the German government would always give priority to the relationship with France. He frequently expressed in private views sympathetic to the United Kingdom but then did not translate them into action because to have done so would have displeased the French. Features of French policy of which Chancellor Schmidt disapproved were tolerated by his administration in order to foster the relationship.

3. Things are different now. For example, Chancellor Kohl went out of his way to secure agreement at the Brussels European Council to conclusions on the Budget which were acceptable to the United Kingdom. We have since had an authoritative account of what happened. Chancellor Kohl first checked that Dr Fischer's draft was acceptable to us and then told President Mitterrand, very firmly, that he expected France to accept it as well. The French President eventually did so, even though French officials had produced a rival draft (which we have not seen but are confident would have been unacceptable to the Prime Minister).



4. None of us can remember an incident quite like this. The historic pattern has been for Germany to use their influence to try to get us to agree to propositions that met French political requirements. This change of attitude was confirmed at a recent meeting between United Kingdom and German officials. The leader of the German delegation, Dr Fischer, went out of his way to be amiable. He said at one point, clearly intending to be reported, that Chancellor Kohl had meant what he said when he told the Prime Minister that he would do all he could to help with the Budget problem. No lectures were delivered about "excessive British expectations" - by contrast with previous such meetings. German officials commented that the Chancellor of the Exchequer's "safety net" scheme was technically feasible and financially justified. Their doubts were about its negotiability; but they certainly did not reject it as unachievable.

5. By contrast, German contacts with the French are less intimate than they used to be. Although some senior officials continue to have a close professional relationship, the new German and French administrations are not close at the political level. Chancellor Kohl disapproves of the economic policies that led to the recent troubles of the French franc, and he has no sympathy with French protectionist tendencies. Chancellor Schmidt would not have allowed the recent dispute about the EMS realignment to have gone on so long or become so obvious in public.

6. The Prime Minister will have an opportunity next week to consolidate our closer relations with Germany. It is not unrealistic to hope that the Paris/Bonn axis will now loom less large; and that we may be able to superimpose upon it a triangle in which both France and Germany regard the United Kingdom at least as warmly as each regards the other.

7. But there is a potential problem. Chancellor Kohl is idealistic about the European Community in a rather cloudy way. He is fond of describing himself as "Adenauer's heir".



He is reported to be distressed by what he regards as "nationalistic" behaviour by other member states. He may need to be convinced of the sincerity of the British Government's commitment to Europe.

8. The Prime Minister has already stressed to Chancellor Kohl that she is fighting for a lasting solution to the budget problem in order to remove this last major obstacle in the way of willing acceptance of Community membership by the vast majority of the British public. It would be worth repeating this argument. It may also be worth stressing that British Ministers have lots of constructive ideas about the future of the Community. The Prime Minister has already given copies of our "Positive Approach" booklet to Signor Fanfani and Mr Lubbers. She might wish to give a copy to Chancellor Kohl as well. (Copies are available in German.)

9. When handing it over, the Prime Minister could make the following points:-

- (i) It is not the British habit to make extravagant ideological declarations which risk anti-climax because events do not match up to the words. The British approach to the European Community is, for this reason, practical and realistic; but it is positive.
- (ii) Members of the present British Government have given careful thought to the role of the Community in all relevant areas of policy. The results were explained in a series of speeches by Ministers last autumn and are summarized in the Positive Approach booklet.

/(iii)



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- (iii) If Chancellor Kohl reads it he will find that there is a close affinity between British and German points of view, both on detailed policies and in the general approach to the Community.

D.H.

D J S HANCOCK

15 April 1983

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HL  
Germany

10 DOWNING STREET

From the Private Secretary

14 April 1983

Anglo/German Summit

Thank you for your letter of 13 April.

The Prime Minister is content with the proposals for Ministerial involvement in the Summit.

There will be no difficulty about putting the Prime Minister's dinner back to 2015 for 2030 hours on 21 April. Mrs. Thatcher envisages inviting some outside guests, together with the principal participants in the Summit. You undertook to let me have a guest list for a dinner of 48 today.

As regards the lunch on 22 April, this will be restricted to the participating Ministers together with one or two senior officials. I should be grateful if you could let me have proposals by the end of this week.

I should also be grateful for a list of proposed participants in the plenary session which will be held in the Cabinet Room on 22 April. It is desirable to restrict numbers as far as we reasonably can.

I am copying this letter to the Private Secretaries to the Chancellor of the Exchequer, together with a copy of your letter under reference, and the Secretaries of State for Defence, Industry, Trade, Energy, Employment, Agriculture, the Minister for Overseas Development and Richard Hatfield (Cabinet Office).

Roger Bone, Esq.,  
Foreign and Commonwealth Office.

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PRIME MINISTER

ANGLO/GERMAN BILATERAL SUMMIT

Chancellor Kohl has now agreed to the programme that we have put to him for next week's Summit (21/22 April). You said that you wanted this to be at No. 10.

The programme would be:

Thursday, 21 April:

2015 for 2030

Dinner

Friday, 22 April:

0900 - 1030

Tete-a-tete between yourself and the Chancellor

1030 - 1130

Joined by Foreign Ministers

1145 - 1245

Plenary

1245 for 1300

Lunch

1445

Joint press conference

1545

Chancellor Kohl departs.

I suggest that the lunch on Friday is confined to participating Ministers and a few senior officials. Agree?

Y  
hs  
mr

But it would be more interesting if the dinner on Thursday included some outside guests. Agree that we should aim at a dinner for 48 at small tables?

Y  
hs  
mr

A.J.C.

f.a.  
A.J.C. 15/4.

13 April, 1983



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Foreign and Commonwealth Office

London SW1A 2AH

13 April 1983

*John Tebbit*

Anglo-German Summit

Thank you for your letter of 5 April.

The German side have confirmed that Chancellor Kohl will be accompanied by Herr Genscher (Foreign Affairs), Herr Stoltenberg (Finance), Count Lambsdorff (Economy) and Herr Woerner (Defence).

Herr Kiechle (Agriculture) will be meeting Mr Walker in London on 14 April and the Germans do not therefore think it necessary for him to be present at the Summit. I understand that Mr Walker agrees. In addition, they no longer wish for Herr Warnke (Aid) and Herr Riesenhuber (Research) to attend the Summit. In neither of these areas is there pressing bilateral business to conduct. The only additional Minister the Germans have proposed is Herr Bluem (Employment). I understand that Mr Tebbit would be in favour of a meeting with him.

If the Prime Minister is content with these proposals, the appropriate Ministers on the British side would be the Foreign and Commonwealth Secretary, the Chancellor of the Exchequer and the Secretaries of State for Defence, Industry, Trade, Energy and Employment.

The programme proposed by the Prime Minister is acceptable to Chancellor Kohl apart from one detail. He will be busy with Dr Luns immediately before his departure for London and will not be able to arrive at Northolt until 1900 on 21 April. As I mentioned to you last night, he would therefore be very grateful if the Prime Minister's dinner could be put back by 15 minutes to 2015 for 2030.

We shall let you have the German names for the dinner and lunch at No 10 as soon as possible. May I assume you will wish to restrict numbers to about 12 per side?

/I am

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I am copying this letter to the Private Secretaries to the Secretaries of State for Defence, Industry, Trade, Energy and Employment, the Ministers for Agriculture and Overseas Development and Sir Robert Armstrong.

*You are*

*Very truly  
yours*

(R B Bone)  
Private Secretary

A J Coles Esq  
10 Downing Street

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Germany  
Chancellor Kohl's  
visit, P + 7



113 APR 1983







✓ Peter  
told Peter M.  
11/4

10 DOWNING STREET

John ~~OK~~ on 11/4

Anglo/German briefing on  
20/4

1. Mr Walker, his Perm. Sec.  
+ Mr Andrews will be  
attending an Agric. mtg.  
in Luxembourg on that  
day. However Lindsay  
has been told that  
the German Agricultural  
Min. is due to hold  
talks, in London, next  
week with Mr Walker  
~~then~~ after which Mr  
Walker might be able  
to submit a brief to  
the P.M. The alternative

PTD



Let the meeting stand.

A NAFF official should attend - feeling that we can manage without.

A.S.C. - 11/4

would be to re arrange the mtg.

2. Sir Peter Casey (DOI) is unable to attend the briefing. May Mr Jack Gill attend instead?

Yes.

A.S.C. - 11/4

Peter  
7/4



✓



10 DOWNING STREET

From the Private Secretary

5 April 1983

ANGLO/GERMAN BILATERAL SUMMIT

The Prime Minister has now been able to consider the arrangements for the next bilateral summit with Germany.

She proposes that this should take place at No. 10 rather than Chequers. She would like to invite Chancellor Kohl to dinner at No. 10 on Thursday, 21 April (at 8.00 for 8.15 pm) if he is able to arrive in London that evening. The other Ministerial participants (see below) in the Summit, together with some officials, would also be invited.

As regards Ministerial participation, the Prime Minister would meet Chancellor Kohl's wishes on this matter so far as possible. She presumes that the German Ministers for Foreign Affairs, Finance, Economy and Defence would take part but would see advantage on this occasion in other German Ministers being invited so that their British counterparts may get to know them. Possible candidates are the Ministers for Agriculture, Research and Technology and Overseas Development.

On our side the Prime Minister would be grateful if, subject to final confirmation in the light of Chancellor Kohl's wishes, the Foreign and Commonwealth Secretary, the Chancellor of the Exchequer, the Secretaries of State for Defence, Industry, Trade and Energy, and the Ministers for Agriculture and Overseas Development would arrange to be available.

The programme for Friday 22 April might be on the following lines:

- 0900-1030 Tete-a-tete between the Prime Minister and Chancellor Kohl.
- 1030-1130 Joined by Foreign Ministers
- 1145-1245 Plenary Session
- 1245 for 1300 Lunch
- 1445 Joint Press Conference
- 1545 Chancellor Kohl departs.

/ It would be

✓



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- 2 -

It would be helpful if you could obtain early answers to these proposals from the Germans.

I am copying this letter to the Private Secretaries to the Chancellor of the Exchequer, the Secretaries of State for Defence, Industry, Trade and Energy, the Ministers for Agriculture and Overseas Development and Sir Robert Armstrong.

*A 8c*

R.B. Bone Esq.,  
Foreign and Commonwealth Office.

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10 DOWNING STREET

*From the Private Secretary*

SIR ROBERT ARMSTRONG

ANGLO/GERMAN BILATERAL SUMMIT: 22 APRIL

I am sorry that it was not possible to let you have a reply to your minute of 29 March before the Easter weekend.

It will, as you suggest, be convenient if the Prime Minister's briefs could reach me on Friday, 15 April.

I am writing to the Foreign and Commonwealth Office today, with a copy to you, asking them to put certain proposals to the Federal German Government on the arrangements for the Summit.

A. J. COLES

5 April 1983





10 DOWNING STREET

*From the Private Secretary*

MISS WILKINSON  
CABINET OFFICE

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PRIME MINISTER'S BRIEFING FOR ANGLO/GERMAN SUMMIT

Thank you for your minute of 5 April. I agree that those whom you list should be invited to attend this briefing meeting.

A. J. COLES

5 April 1983



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Ref. A083/1000

MR COLES

Prime Minister's Briefing Meeting for Anglo-German Summit  
22 April 1983

I should be grateful for your agreement to the following Ministers being invited to attend the Prime Minister's briefing meeting at 4.30 pm on Wednesday 20 April:

Chancellor of the Exchequer  
Foreign and Commonwealth Secretary  
Minister of Agriculture, Fisheries and Food  
Secretary of State for Defence  
Secretary of State for Industry  
Secretary of State for Energy  
Secretary of State for Trade

and also the following officials:

Sir Antony Acland, FCO  
Sir Julian Bullard, FCO  
Sir Jock Taylor, HM Ambassador, Bonn  
Sir Brian Hayes, MAFF  
Mr C A Whitmore, MOD  
Sir Peter Carey, Department of Industry  
Sir Kenneth Couzens, Department of Energy  
Mr M D M Franklin, Department of Trade  
Mr J G Littler, Treasury  
Sir Robert Armstrong, Cabinet Office  
Mr A D S Goodall, Cabinet Office  
Mr D J S Hancock, Cabinet Office

LINDSAY WILKINSON

5 April 1983

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A.S.C.  $\frac{5}{4}$  Cabinet Office,  
70 Whitehall,  
London SW1

h-a . 30 March 1983

PS(83) 5

Dear Private Secretary,

Anglo-German Summit: 22 April 1983

This letter sets out the briefing arrangements for the Anglo-German Summit which is to take place at Chequers on 22 April 1983.

The list of briefs to be prepared, with an indication of Departmental responsibility, is at Annex A. Instructions on format are at Annexes B and C. Those preparing briefs should note carefully the details on the format of briefs set out in Annex B. Departments should, therefore, aim to ensure that, apart from the General Brief, individual subject briefs do not exceed two sides of paper.

70 copies of each brief should be sent to the Cabinet Office as soon as they are ready. They should reach the Cabinet Office by 12.00 noon on Friday 15 April. They should be addressed to Mr R D Roscoe in Committee Section, who should be consulted (tel no 233 7343) about any technical points arising.

I am sending copies of this letter to the Private Secretaries to Sir Antony Acland, Sir Douglas Wass, Mr C A Whitmore, Sir Peter Carey, Sir Brian Hayes, Sir Kenneth Couzens, Mr M D M Franklin, Mr A M Fraser, Mr P E Lazarus, Mr M E Quinlan and Mr J Sparrow, and to John Coles at No 10.

Yours sincerely,

(Signed) LINDSAY WILKINSON (MISS)

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LIST OF BRIEFS FOR ANGLO-GERMAN SUMMIT  
22 APRIL 1983

<u>BMV(83)</u>	<u>Subject</u>	<u>Lead Department</u>	<u>In consultation with</u>
1.	General Brief	FCO [WED]	As appropriate
2.	European Questions		
	(a) General Brief on the European Community	FCO [ECD(I)]	Industry
	(b) EC Budget	FCO [ECD(I)]	Treasury Industry
	(c) Agricultural matters	FCO [ECD(I)]	MAFF
	(d) Enlargement	FCO [ECD(E)]	Treasury Trade MAFF Employment Industry
	(e) International Trade Issues (including protectionism, EC/United States, Japan)	Trade	MAFF Industry FCO [ECD(E)/TRED/ FED]
	(f) Internal Market	Trade	FCO [ECD(I)] Customs & Excise Transport
	(g) EMS (Defensive)	Treasury	FCO [ECD(I)]
	* (h) EC/Turkey	FCO [ECD(E)/SED]	Employment
	(i) Genscher/Colombo proposals [if not agreed]	FCO [ECD(I)]	MOD
	(j) Steel	Industry	As appropriate
3.	International Economic Issues		
	(a) Prospects for the World Economy	Treasury	FCO [ERD/ESID]
	(b) International Debt	Treasury	FCO [ERD/ESID] Trade



## CONFIDENTIAL

<u>V(83)</u>	<u>Subject</u>	<u>Lead Department</u>	<u>In consultation with</u>
	(c) Prospects for Williamsburg Summit	FCO [ERD]	Treasury
	(d) Energy	FCO [ESSD]	Treasury Energy
	(e) Aid	FCO [ECD(E)] ODA	As appropriate
4.	Arms Control and Disarmament	FCO [Defence Dept]	MOD FCO [ACDD]
5.	Bilateral Defence Matters	MOD	FCO [Defence Dept/WED]
6.	Industrial Co-operation	Industry	FCO
7.	East/West Political Relations		
	(a) General, including Afghanistan	FCO [EESD]	FCO [SAD]
	(b) Poland	FCO [EESD]	Treasury
	(c) CSCE	FCO [CSCE Unit]	
8.	East/West Economic Relations	FCO [TRED/EESD]	Trade
9.	Other International Issues		
	(a) Arab/Israel and Lebanon	FCO [NENAD]	MOD
	(b) Iran/Iraq and the Gulf	FCO [MED]	
	* (c) Europe/Latin America (including the Falkland Islands)	FCO [SAmD/FID/MCAD]	MOD
	* (d) North/South Relations (including UNCTAD)	FCO [ERD]	Trade
	(e) UNLOSC	FCO [MAED]	MOD



<u>V(83)</u>	<u>Subject</u>	<u>Lead Department</u>	<u>In consultation with</u>
*(f)	Southern Africa/ Namibia	FCO [SAfD]	
*(g)	SE Asia	FCO [SEAD]	
*(h)	Greece/Turkey	FCO [SED]	
10.	Inner German Relations	FCO [WED]	Industry
11.	Anglo-German Bilateral Questions (other than defence: See 5)	FCO [WED]	
12.	FRG Scene		
	(a) Political	FCO [WED]	
	(b) Economic	Treasury	

\* Denotes background brief



INSTRUCTIONS ABOUT FORMAT

All briefs should be laid out in the same way with a top page in accordance with the specimen layout at Annex C. Those preparing briefs should pay particular attention to ensuring that the following instructions are fully observed:

Content

- (a) Briefs should be concise. Each brief should if possible be no more than two sides long.
- (b) The main body of each brief should comprise three sections: a very brief statement of the United Kingdom Objective (normally no more than a couple of lines); a concise list of Points to Make; and a factual Background section which distinguishes clearly between information which can be freely used and information which should not be disclosed.
- (c) Briefs should be complete and self-contained with all the information required on that particular subject. Briefs should not be divided into separate self-contained subsections.

Layout

- (d) Briefs should be typed in double spacing, using both sides of the paper. Pages should be numbered at the foot of each page.
- (e) As shown in the specimen at Annex C, the top page only of each brief should contain the following details: the symbol and number of the brief in the top left-hand corner (eg BMV(83) 10) with the date of circulation below: a copy number in red at the top right-hand corner; the visit heading; the title of the brief (in capitals) and the name of the Department responsible.
- (f) At the foot of the last page and on the left-hand side, briefs should bear the name of the originating Government Department and the date of origin.

Reproduction

- (g) Briefs should be reproduced throughout on white paper, with each page bearing a security classification at top and bottom (as in Annex C). Care should be taken that the reproduction method employed results in clear readable copies.
- (h) It is important that, on arrival at the Cabinet Office, briefs should be complete in all detail - collated, stapled and copy numbered and ready for immediate circulation.



Updating

- (i) If late developments require a brief to be amended or updated, a revise should be prepared. It should be set out in the form described at (e) above, with the brief number amended to show that it is a revise (eg BMV(83) 10 (Revise). Subsequent revises should be numbered (eg BMV(83) 10 (Revise 2), etc). If it is a question of adding material to the brief rather than revising its existing contents, an addendum may be prepared, in the form described at (e) above with the brief number (eg BMV(83) 10 Addendum) and title to which it relates at the top of the front page. The Private Secretary to the Secretary of the Cabinet should be informed when a revise or an addendum is in preparation and also about corrigenda to briefs.
  
- (j) Additions to the list of briefs in Annex A require the authorisation of the Private Secretary to the Secretary of the Cabinet.



[CLASSIFICATION]

ANNEX C

THIS DOCUMENT IS THE PROPERTY OF HER BRITANNIC MAJESTY'S GOVERNMENT

[Leave  
1½"  
margin]

BMV(83) [Serial No as specified in Annex A] COPY NO [in red]

[Date]

ANGLO-GERMAN SUMMIT  
22 APRIL 1983

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[SUBJECT] [Insert subject in capitals]

Brief by [name of originating Department, eg Foreign and  
Commonwealth Office]

[At foot of last page on left-hand side:-]

[Originating Government Department, eg Foreign and Commonwealth  
Office or Department of Industry, not a subordinate section or  
division]

[Date of origin]

[CLASSIFICATION]



*done on Thurs  
has it been?*

①.

PRIME MINISTER

ANGLO-GERMAN BILATERAL SUMMIT: 22 APRIL

Chancellor Kohl is coming to Chequers on Friday 22 April for the next Summit. A minute by Sir Robert Armstrong is attached.

It will be helpful to have your decisions now on various points.

It has been suggested, principally by Sir Jock Taylor, that on this occasion the Chancellor might be invited to spend a night at Chequers. This could be the Thursday night (before the bilateral) or the Friday night. I have some reservations. You have seen a lot of Kohl recently and can almost certainly cover all the ground on Friday. But he might be pleased by a special gesture - he may well be the key factor in whether or not we get a satisfactory Budget solution at Stuttgart in June.

Do you want to invite Chancellor Kohl to stay the night?  
On Thursday (before the talks)?  
Or Friday?

The Germans have suggested that they might bring not just the usual Ministers (Foreign Affairs, Finance, Economy and Defence) but others who would find it useful to get to know their British opposite numbers. The candidates are: Research and Technology, Overseas Development and Agriculture. Do you have any objection?

The main subjects for discussion are likely to be:

- (a) the world economy and Williamsburg;
- (b) EC matters, especially the Budget;
- (c) defence.

I think it would be worth suggesting that the discussion of Williamsburg should be conducted with Foreign Ministers, Finance

/ Ministers



Ministers and perhaps the two personal representatives present.  
One possibility would be to reserve lunch on Friday for this.

A.S.C.

30 March 1983





Ref. A083/0970

MR COLES

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Anglo-German Consultations: 22 April 1983

The next in the series of Anglo-German consultations between the Prime Minister and Chancellor Kohl will be held at Chequers on 22 April. The purpose of this minute is to initiate the planning and briefing for the meeting.

2. It has been agreed between ourselves and the Foreign and Commonwealth Office that the new arrangements for preparing and briefing should be introduced in the preparations for this meeting. The interdepartmental co-ordinating meeting under the Chairmanship of Mr Goodall will discuss the draft "general brief" (which replaces the steering brief) and the summary of subject briefs. The subject briefs will take on a new form including a short initial paragraph setting out the objective or objectives. This will bring the practice for briefs for bilateral meetings into line with those for European Councils. If you are content, I propose that we should aim to submit the briefs to the Prime Minister on Friday 15 April in time for her to see them over the weekend prior to the briefing meeting on Wednesday 20 April.

3. Chancellor Kohl will come to Chequers with his reputation greatly enhanced by his victory in the election on 6 March. His Government will have been sworn in less than a month before, but we are not anticipating a large number of Ministerial changes, and the team at Chequers should therefore be fairly experienced. The new Government's policy statement is not expected until the week after the meeting, but the main lines of Chancellor Kohl's domestic and foreign policies are well known.

4. Chancellor Kohl will be considering which Ministers should attend these consultations as soon as the new Government is installed, which should be on 30 March. As we are hosts on this occasion, it might be appropriate to say which German Ministers we should like to invite, and there would be advantage in feeding in our ideas





before the Germans firm up theirs. The Germans have suggested that it might be a good occasion for them to bring not only the traditional group of Ministers (foreign affairs, finance, economy, defence) but others in whose areas of responsibility there is Anglo-German interest and who should get to know their British opposite numbers: they suggest research and technology and overseas development.

5. The number of Ministers to be invited will have to take into account the practicalities of the programme. A single day, 22 April, is at present set aside for the talks. This need not inhibit us from inviting a large German team. There might for example be a plenary dinner after which the other German Ministers could leave for Bonn leaving the Chancellor and his staff behind until the following morning. Since this will be the first meeting after the installation of a newly elected Federal Government it may be a good idea to extend the invitation slightly beyond the traditional form, so as to involve new German Ministers and provide for discussion of topical subjects.

6. The British team will include the Foreign and Commonwealth Secretary, the Chancellor of the Exchequer and the Secretary of State for Defence. In addition, the Secretaries of State for Industry, Trade and Energy and the Minister of Agriculture may well need to be invited.

7. The main areas for discussion are likely to be:

(i) The Outlook for the World Economy and the Williamsburg Summit

It was agreed at the meeting between Chancellor Kohl and the Prime Minister on 4 February that they should have a thorough discussion of the prospects for Williamsburg when they meet on 22 April. The Anglo-German Economic Committee will have met on 11-12 April, and Personal Representatives will have met again over the weekend of 15-16 April. British and German views are not too far apart on the prospects for economic recovery, on what we can realistically expect from Williamsburg and on its structure (as informal as





possible and with a list of agreed points rather than a long communique for President Reagan to give the Press). There will be differences between the Americans and the French, both on economic policy and especially on East/West economic relations. We shall want to discuss the implications of these with the Germans.

(ii) European Community

The United Kingdom budget question will loom large. The Germans have a key role to play as Presidency. They are aware of our need for progress within the timescale, but have not so far shown much sign of the determination or the ingenuity necessary to achieve it. Their wish to reduce their own share of contributions on our refunds could be a major obstacle. We shall need to reiterate the importance of firm and timely action as well as our interest in wishing progress before the end of the German Presidency on the internal market, on enlargement and on keeping European Community/United States relations on an even keel. A new Agriculture Minister has been appointed to replace Herr Ertl, and it may therefore be a good opportunity to discuss agricultural policy.

(iii) Defence and Arms Control

The Germans continue to face considerable internal opposition to INF stationing. If the Americans have come up with an intermediate proposal by 22 April, the meeting can be used to show public opinion in both Germany and the United Kingdom that the United States are negotiating seriously at Geneva. If no interim proposal has been made before the meeting we shall need to consider with the Germans how best to present the case to public opinion. Both Britain and the Federal Republic of Germany need at the Summit to confirm that they remain determined to begin deployment of cruise and Pershing II missiles if the zero option is unobtainable.





- 8. I enclose a suggested list of briefs, the preparation of which will be co-ordinated in the usual way by the Cabinet Office.
9. I should be grateful if you would seek the Prime Minister's approval for preparations for the Anglo-German consultations to go ahead on the basis of the proposals outlined above.

*Lindsay Wilson*

pp. ROBERT ARMSTRONG

29 March 1983

CONQUEROR



LIST OF BRIEFS FOR ANGLO-GERMAN SUMMIT  
22 APRIL 1983

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	<u>Subject</u>	<u>Lead Department</u>	<u>In consultation with</u>
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	(b) Poland	FCO [EESD]	Treasury
	(c) CSCE	FCO [CSCE Unit]	
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	* (d) North/South Relations (including UNCTAD)	FCO [ERD]	Trade
	(e) UNLOSC	FCO [MAED]	MOD



	<u>Subject</u>	<u>Lead Department</u>	<u>In consultation with</u>
	*(f) Southern Africa/ Namibia	FCO [SAfD]	
	*(g) SE Asia	FCO [SEAD]	
	*(h) Greece/Turkey	FCO [SED]	
10.	Inner German Relations	FCO [WED]	Industry
11.	Anglo-German Bilateral Questions (other than defence: See 5)	FCO [WED]	
12.	FRG Scene		
	(a) Political	FCO [WED]	
	(b) Economic	Treasury	

\* Denotes background brief





From the Permanent Secretary  
M. D. M. Franklin, CB CMG

GERMANY

DEPARTMENT OF TRADE  
1 VICTORIA STREET  
LONDON SW1H 0ET

TELEPHONE DIRECT LINE 01 215 3785  
SWITCHBOARD 01 215 7877

PS/Sir Antony Acland KCMG KCVO  
Foreign and Commonwealth Office  
Downing Street  
London SW1

28 March 1983

*Handwritten initials and numbers:*  
M 4/3  
h.a.

*Dear Private Secretary,*

ANGLO-GERMAN SUMMIT : 22 APRIL 1983

*with ATC P*

In the absence of Mr Franklin, I am writing with the Department of Trade's views on Sir Antony Acland's letter of 22 March to Sir Robert Armstrong, setting out the main areas for discussion and broad objectives for the Summit.

We have no comments on these but, as Mr Franklin mentioned on the occasion of the Anglo-Italian Summit, we think the Department of Trade should do the brief on the Internal Market (Brief 2(f)) in consultation with FCO, Customs and Transport. The Minister for Trade is the UK representative at the Council meetings on this subject.

We should like to be consulted on Brief 3(b) International Debt, Brief 7 East/West Economic Relations and Brief 8(d) North/South Relations.

I am copying this to the recipients of Sir Antony's letter.

*Yours faithfully,*  
*Jo Harris*

JOSEPHINE HARRIS  
Private Secretary



Germany.  
Visit by  
Chancellor Kohl  
P47

28 MAR 1983





CONFIDENTIAL

GRS 420

CONFIDENTIAL

FM BONN 221050Z MAR 83

TO PRIORITY F C O

TELEGRAM NUMBER 279 OF 22 MARCH

ANGLO-GERMAN CONSULTATIONS, 22 APRIL: MINISTERIAL PARTICIPATION

1. IT IS TIME WE GAVE THOUGHT TO THE QUESTION OF WHICH MINISTERS SHOULD ATTEND THESE TALKS. THE CHANCELLOR'S STAFF HAVE TOLD US THAT KOHL WILL BE CONSIDERING THIS QUESTION AS SOON AS THE NEW GOVERNMENT IS INSTALLED, WHICH SHOULD BE ON 30 MARCH. BUT THEY POINT OUT THAT IT IS FOR US, AS HOSTS ON THIS OCCASION, TO SAY WHICH GERMAN MINISTERS WE INTEND TO INVITE, AND THERE WOULD BE ADVANTAGE IN FEEDING IN OUR IDEAS BEFORE THE GERMANS FIRM UP THEIRS. GERMAN OFFICIALS CONCEDE THAT THE DECISION MAY DEPEND IN PART ON WHO THE NEW GERMAN MINISTERS ARE. BUT THEY HAVE AIDED WITH US PRIVATELY THE THOUGHT THAT THIS MIGHT BE A GOOD OCCASION FOR THEM TO BRING NOT ONLY THE TRADITIONAL GROUP OF MINISTERS (FOREIGN AFFAIRS, FINANCE, ECONOMY, DEFENCE) BUT OTHERS IN WHOSE AREAS OF RESPONSIBILITY THERE IS ANGLO-GERMAN INTEREST AND WHO SHOULD GET TO KNOW THEIR BRITISH OPPOSITE NUMBERS (THEY MENTION RESEARCH AND TECHNOLOGY, OVERSEAS DEVELOPMENT).

2. THE LIST OF MINISTERS TO BE INVITED WILL HAVE TO TAKE INTO ACCOUNT INTER ALIA THE PRACTICALITIES OF THE PROGRAMME. A SINGLE DAY, 22 APRIL, IS AT PRESENT SET ASIDE FOR THE TALKS. IF IT WERE POSSIBLE TO INVITE DR KOHL TO STAY OVERNIGHT AT CHEQUERS THE GESTURE WOULD, I SUSPECT, GO DOWN DISPROPORTIONATELY WELL WITH A MAN WHO IS LIKELY NOW TO BE OUR CHIEF GERMAN INTERLOCUTOR FOR A CONSIDERABLE TIME. THIS NEED NOT INHIBIT US FROM INVITING A LARGE GERMAN TEAM: THERE MIGHT, FOR EXAMPLE, BE A PLENARY DINNER, AFTER WHICH THE OTHER GERMAN MINISTERS COULD DEPART FOR BONN LEAVING THE CHANCELLOR AND HIS STAFF BEHIND UNTIL THE FOLLOWING MORNING.

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/3. BECAUSE



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3. BECAUSE THIS WILL BE THE FIRST MEETING AFTER THE INSTALLATION OF A NEWLY ELECTED FEDERAL GOVERNMENT MY OWN PREFERENCE WOULD BE FOR EXPANDING THE INVITATION SLIGHTLY BEYOND THE TRADITIONAL FOUR, SO AS TO INVOLVE NEW GERMAN MINISTERS AND PROVIDE FOR DISCUSSION OF TOPICAL SUBJECTS. THE NEW GERMAN AGRICULTURE MINISTER, WITH WHOM WE COULD USEFULLY DISCUSS THE EC/US AGRICULTURE WAR AND PRICE FIXING, IS A GOOD EXAMPLE. ANOTHER POSSIBILITY IS RESEARCH AND TECHNOLOGY, WHETHER RIESENHUBER STAYS OR NOT: THE POST IS TRADITIONALLY HELD BY A YOUNG POLITICIAN WITH A FUTURE AND THERE WOULD BE PLENTY TO DISCUSS.

4. I WILL FIRM UP MY RECOMMENDATIONS AS SOON AS THE NEW GERMAN TEAM IS KNOWN. BUT IT WOULD BE HELPFUL IF INITIAL THOUGHT COULD BE GIVEN TO THE QUESTION IN THE MEANTIME, SO THAT WE ARE IN A POSITION TO MAKE PROPOSALS TO THE GERMANS AS SOON AS POSSIBLE THEREAFTER.

TAYLOR

[THIS TELEGRAM WAS NOT ADVANCED]

LIMITED  
WED  
PLANNING STAFF  
PS/MR HURD  
LORD BELSTEAD  
SIR J BULLARD  
MR GOODISON





five  
GERMANY

10 DOWNING STREET

*From the Private Secretary*

14 March 1983

ANGLO/GERMAN SUMMIT: 22 APRIL

The Prime Minister has agreed to 22 April as the date for the next Summit with Chancellor Kohl. It will take place at Chequers. As on previous occasions, the Prime Minister will wish to involve other Ministers in the programme. Although she will not decide who to ask to attend until nearer the time I should be grateful if you and other recipients of this letter could make an appropriate note in your Ministers' diaries.

I am sending copies of this letter to John Kerr (HM Treasury), Richard Mottram (Ministry of Defence), Jonathan Spencer (Department of Industry), John Rhodes (Department of Trade), Julian West (Department of Energy), Robert Lawson (MAFF) and Richard Hatfield (Cabinet Office).

A. J. COLES

A. J. COLES

R.B. Bone, Esq.,  
Foreign and Commonwealth Office.





Foreign and Commonwealth Office

London SW1A 2AH

11 March, 1983

*John Taylor*

*The letter pl.*

*A.P.C. 14/3.*

Anglo/German Summit

The Prime Minister has agreed that the next Anglo/German Summit should be held at Chequers on 22 April (your letter of 30 November 1982 refers).

The Prime Minister will doubtless wish to follow previous practice and include other Departmental Ministers on both sides. It is too early to decide definitely on the composition of our team, and Chancellor Kohl will not begin to focus on the Summit just yet: the Germans are now engaged in the coalition bargaining. But it may be as well to ensure that the date is kept free in the diaries of Ministers who might participate on our side. In addition to Mr Pym himself, the Chancellor of the Exchequer and the Secretary of State for Defence, the Prime Minister may in due course wish to consider including the Secretaries of State for Trade, Industry and Energy and the Minister of Agriculture, Fisheries and Food.

/ I attach a draft letter which you may care to circulate.

*John Taylor*  
*R B Bone*

(R B Bone)  
Private Secretary

A J Coles Esq  
Private Secretary  
10 Downing Street



DRAFT: ~~XXXXXX~~/letter/~~XXXXXXXXXXXXXXXXXXXX~~

TYPE: Draft/Final 1+

FROM:

Reference

PS/No 10

DEPARTMENT:

TEL. NO:

SECURITY CLASSIFICATION

TO:

Your Reference

Top Secret

Secret

Confidential

Restricted

Unclassified

**FCS**  
PS/~~Chancellor of the Exchequer~~

Copies to:

- Chandler*
- PS/~~Foreign and Commonwealth Stry~~
- PS/SoS for Defence
- PS/SoS Industry
- PS/SoS Trade
- PS/SoS Energy
- PS/MAFF
- PS/Sir R Armstrong

PRIVACY MARKING

SUBJECT:

.....In Confidence

CAVEAT.....

ANGLO/GERMAN SUMMIT: 22 APRIL

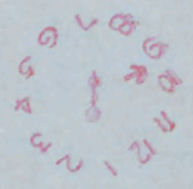
The Prime Minister has agreed to 22 April as the date for the next Summit with Chancellor Kohl. It will take place at Chequers. As on previous occasions, the Prime Minister will wish to involve other Ministers in the programme. Although she will not decide who ~~these will be~~ <sup>to ask to attend</sup> until nearer the time I should be grateful if you and other recipients of this letter could make an appropriate note in your Ministers' diaries. ~~The Germans themselves will not begin to prepare seriously until the dust has settled after their election. They are at present engaged in coalition bargaining.~~

*for 14/3*

Enclosures—flag(s).....



Germany: Chancellor's visits  
Pt 7



17 1 MAR 1960



GPS 130  
UNCLASSIFIED  
FM BONN 051105Z FEB 83  
TO IMMEDIATE FCO  
TELEGRAM NUMBER 129 OF 5 FEBRUARY

YOUR TELNO 63: CHANCELLOR KOHL'S VISIT TO LONDON, GERMAN PRESS REACTIONS

1. COVERAGE IN TODAY'S GERMAN PRESS IS FACTUAL AND MAINLY VERY BRIEF, WITH A FEW PICTURES. WITH THE EXCEPTION OF SUEDEUTSCHE ZEITUNG (SZ), WHICH REFERS BRIEFLY TO THE PRIME MINISTER'S REMARKS ON INTERNATIONAL TRADE AND THE EC BUDGET, REPORTS ARE ALMOST EXCLUSIVELY ABOUT INF. SEVERAL PAPERS EMPHASISE THE STATEMENT THAT ZERO IS THE BEST SOLUTION BUT NOT TAKE-IT-OR-LEAVE-IT. DIE WELT REPORTS THE PRIME MINISTER'S STATEMENT THAT DEPLOYMENT WILL PROCEED AT END 1983 QUOTE IF THERE IS NO AGREEMENT BY THEN ON A ZERO SOLUTION UNQUOTE; BUT OTHER PAPERS SAY SIMPLY QUOTE IN THE ABSENCE OF AGREEMENT UNQUOTE (SZ) OR (GENERAL ANZEIGER, QUOTING KOHL) QUOTE FAILING AN OUTCOME TO THE NEGOTIATIONS UNQUOTE. THERE IS NO (NO) REFERENCE TO BRITISH AND FRENCH SYSTEMS.

UNWIN

STANDARD  
WED  
CABINET OFFICE

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No. 10 DOWNING STREET



CONFIDENTIAL

File



OSP

10 DOWNING STREET

From the Principal Private Secretary

4 February 1983

Dear Brian,

VISIT OF CHANCELLOR KOHL

I attach a record of the meeting between the Prime Minister and Chancellor Kohl, accompanied by Mr. Pym and Herr Genscher, which took place at Chequers today.

I am sending a copy of this letter and its enclosure to John Kerr (HM Treasury), Robert Lawson (Ministry of Agriculture, Fisheries and Food) and Richard Hatfield (Cabinet Office).

Yours ever,

Robin Butler

Brian Fall, Esq.,  
Foreign and Commonwealth.

CONFIDENTIAL

OSP



SUBJECT

CONFIDENTIAL

cc Master

DSG

RECORD OF A CONVERSATION BETWEEN THE PRIME MINISTER AND THE  
CHANCELLOR OF THE FEDERAL REPUBLIC OF GERMANY, ACCOMPANIED BY  
FOREIGN SECRETARIES, AT 1215 HOURS ON FRIDAY 4 FEBRUARY 1983  
AT CHEQUERS

---

Present: Prime Minister Chancellor Kohl  
Secretary of State Herr Genscher  
for Foreign and Commonwealth Affairs Mr. Teltschick  
Mr. Butler Interpreter  
Interpreter

\* \* \* \* \*

Following a brief report by the Prime Minister on the matters discussed bilaterally between herself and Chancellor Kohl, she suggested that they should discuss Community issues. The achievement of the Common Fisheries Policy had been a great achievement, and she congratulated the German Government on bringing it to fruition through their Presidency. She would be interested to hear the ideas of the German Government about the Common Agricultural Policy price fixing, and it would be natural to proceed from there to a discussion of the Budget.

Herr Genscher said that he would first like to raise an urgent problem which had arisen over Canadian licensing of the German deep sea fishing fleet off the coast of Canada. The current licences would expire on 11 or 12 February. The Canadians were only prepared to grant licences on condition that the European Community absorbed the whole catch from Canadian waters. The United Kingdom had previously taken as much as 82% of the catch, but their current quota had fallen to 50%. This created difficulties because it was difficult to market the rest of the catch elsewhere in the European Community where consumers were not familiar with the type of fish included in it. If the United Kingdom were willing to increase their quota somewhat, this would help to move the Canadians from a position in which they had become entrenched.

/ The Prime Minister

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The Prime Minister said that her immediate reaction was that no such increase would be possible. A large part of the British fishing fleet had been laid up awaiting the settlement of the European Fishing Policy. It would be impossible to say to the fishermen that, now that the policy had given them access to an agreed share of fishing resources, albeit one which was much lower than that which the United Kingdom had brought to the Community by its membership, the British market would have to take a larger quota of imported fish from Canada. She would report Herr Genscher's request to the Minister of Agriculture, but she could not hold out a prospect that Britain would be able to help in the way suggested. She thought that a better approach would be for the British and German Governments to join in making representations to the Canadians.

Herr Genscher commented that he thought that the Prime Minister might be exaggerating the difficulty of making an increase in the quota.

On the CAP price fixing, the Prime Minister said that British farmers had had a very good year, and it remained important to maintain downward pressure on inflation. These considerations should be kept in mind in approaching the CAP price fixing. Herr Genscher said that the German Government agreed with the British Government's approach to the price increase: the difficulty for the German Government arose over MCA adjustments, which reduced the revenue increase for German farmers from the Commission's proposals of 4½% to 1%, and this was too low.

The Prime Minister commented that it was also necessary to distinguish between products. It was essential to avoid substantially increased prices for products already in surplus, e.g. milk. Herr Genscher commented that the co-responsibility scheme covering milk producers helped in this respect. The Prime Minister said that this scheme amounted to putting up the price, and then applying what amounted to a tax: this had never

/ seemed



seemed to her sensible. Herr Genscher said that the co-responsibility scheme was suited to the structure of German agriculture, which contained a large number of family farms as opposed to mass milk production units. The Prime Minister commented that the CAP tended to favour countries which were less efficient in production and efficient in manufacturing, compared with the United Kingdom which was very efficient in production.

Turning to the European Budget, the Prime Minister said that the German Government were the biggest financiers of the EEC, and the United Kingdom were the second biggest. It was absurd that Britain should subsidise countries like Belgium, Holland and Denmark. It would be impossible for her to go into the British Election with the European Budget problem unsolved. If she did, it would provide a perfect basis for the main Opposition Party to exploit opposition to the EEC, and argue that Britain should leave the Community. It was misleading to speak of Britain asking for refunds when what was meant was that Britain should be a lower net contributor, but until a fundamental reform of the system was achieved, refunds were inescapable. The reason for emphasising this point today was that it would have to be settled under the German Presidency. She hoped that the German Government would be helpful over this problem, which it was essential to solve by the time of the June Council, and she suggested that officials should discuss ways of doing so in the meantime.

Chancellor Kohl said that he and Herr Genscher had been discussing this matter on the way over on the aeroplane. There was another argument which Mrs. Thatcher had not mentioned: this was that a solution should not be sought during the Greek Presidency. So the German Government would have this matter very much in mind in preparing for the June Council. It was a strong German interest that the British Government should be able to present its membership of the European Community in a favourable light to its electorate and to go into its Election with its European colours flying high.

/ The Prime Minister



CONFIDENTIAL

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The Prime Minister said that she would not pursue the matter further today. In the next few weeks the German Government would have other pre-occupations, and the British Government fully recognised the importance of the result of the German Elections on 6 March. Thereafter it would be necessary to concentrate on matters which would be important in the United Kingdom Election.

F.R.B.

4 February 1983

CONFIDENTIAL



CL MASTER



CC MOD  
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GERMANY

10 DOWNING STREET

From the Private Secretary

4 February 1983

Visit by Chancellor Kohl

The Chancellor of the Federal Republic of Germany paid a working visit to Chequers today. I enclose a record of his tête-à-tête conversation with the Prime Minister which was the first item of the programme.

I am copying this letter and enclosure to Richard Mottram (Ministry of Defence) and Richard Hatfield (Cabinet Office). The record should not be copied outside Private Offices except where this is operationally essential.

I shall send separately to the Department of Trade that section of the record which deals with trade issues.

A. J. COLES

Roger Bone, Esq.,  
Foreign and Commonwealth Office.

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RECORD OF A CONVERSATION BETWEEN THE PRIME MINISTER AND THE  
CHANCELLOR OF THE FEDERAL REPUBLIC OF GERMANY AT 1100 HOURS  
ON FRIDAY 4 FEBRUARY 1983 AT CHEQUERS

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Present:

Prime Minister  
Mr Coles  
Interpreter

Chancellor Kohl  
Mr Teltschick  
Interpreter

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The Prime Minister suggested that the two sides should attempt to cover, during the talks, the current visit of Vice President Bush to Europe, the question of INF stationing and attitudes towards the zero option proposal, world economic prospects, trading problems with Spain and Japan and between the United States and the European Community, CAP price fixing and the EC budget problem. The latter problem could have an effect on electoral prospects in the United Kingdom just as some of the other subjects she had mentioned could be relevant to the German elections of 6 March. We wished to do all we could presentationally to help Chancellor Kohl at the present time.

Chancellor Kohl said that he agreed with this agenda and suggested that EC matters should be covered when the two Foreign Ministers joined the talks.

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He first wished to comment on the problem of INF stationing. It had not been his intention to make this an election issue in Germany. Strictly speaking, this should have been unnecessary because he was maintaining a policy of the former Chancellor Schmidt. The latter claimed to be the father of NATO's two track decision and until a few weeks ago he took pride in that claim. Now he attempted to deny his responsibility for the decision. But the fact was that he had helped prepare it and had had Herr Kohl's support when he was in opposition. Now the matter had become an election issue. Herr Brandt had become the dominant figure in the SPD and, together with Herr Vogel, was arguing against INF stationing. If the talks at Geneva failed and the German Government took the decision to station the American missiles, the SPD would oppose this.

The Prime Minister said that Herr Schmidt had always staunchly supported INF stationing. Surely he had not personally changed his views. Chancellor Kohl commented that the SPD had changed their views completely. Schmidt had moved half-way from his previous position. In principle, he supported the German Government's policy but he hated not being in office and hated Herr Genscher. So he did not allow reason to speak. However, his influence in the SPD was now very small and he had no patronage left. For all practical purposes, he was finished as a politician.

The Prime Minister said that if the SPD won the German elections and INF missiles were not deployed, the failure to implement NATO's decision would have unimaginably damaging consequences.

/Chancellor Kohl

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Chancellor Kohl said that President Mitterrand's attitude was very important. He had recently spoken in the Bundestag on this issue and taken a very firm line. People had commented that he had spoken much as the Chancellor himself spoke on this question. The SPD were fighting the elections on the basis that they were the party of disarmament and that Kohl wanted an election victory in order to station these dangerous weapons. He was not worried by this line which he did not think had popular backing.

As regards the zero option, his position was very clear. Soviet intermediate rangemissiles should be completely abandoned and not just moved into the Asian area of the Soviet Union. That was the objective towards which we should negotiate. Moreover, it was a clear objective which people could understand. Ordinary people had difficulty with specialised terminology. A kind of "disarmament Chinese" had developed which frightened people. Some generals and diplomats did not understand that the arguments must be put in plain terms if they were to carry conviction. In particular, it was important to find formulae that the young could understand. That was why the zero option proposal was so valuable. The need for concrete results at Geneva should also be stressed.

The Prime Minister said that it seemed likely that we should not obtain the zero option objective. So Cruise and Pershing would have to be stationed in accordance with the agreed NATO line. She herself took the view that the zero option was a special case of balance. The purpose of nuclear weapons was to deter. But deterrence could only work if balance existed. It would take five years to station all the missiles required by the NATO decision. So there would be time to

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negotiate zero or a balance at a higher level. But she believed the West would be vulnerable if it stood rigidly on the zero option which was unlikely to be achieved by the end of 1983.

Chancellor Kohl said that he absolutely agreed with these arguments. He had always made it clear that he was opposed to a policy of seeking everything or nothing. We should set the objective and move towards it. The important thing was that the negotiation should be serious and the timetable should be respected.

When Mr. Gromyko had recently visited Bonn his behaviour had been very different from previous occasions. On earlier visits he had acted like a military governor. This time he was more like a prospective, if elderly, bridegroom. During their five hours together Gromyko had at one moment viciously attacked the United States and Reagan but he had told him quietly to drop that approach. The United States were Germany's friends and he was not prepared to conduct such a discussion. Gromyko had immediately abandoned this approach. He (Kohl) had concluded that Gromyko was trying to establish how far he could push the German Government. For the rest of his visit he had behaved like an old man giving advice to the young. When the German side had raised the case of Sakharov, they had expected a sharp reaction. But Gromyko had quietly argued that this was not a subject to be treated at their level. Gromyko's principal intention had been to discover whether the Chancellor and the German Government were firm on the NATO decision of 1979. His tone had been friendly but his position hard. He had kept asking whether he could tell Andropov that the Chancellor stood for detente and disarmament. The Chancellor had replied in the affirmative but said that it was necessary to define the terms. Gromyko had then told a Press Conference that Kohl stood for these things but had left out the definitions.

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He had told Gromyko firmly that if the Geneva negotiations failed, Germany would station the INF missiles. Since Gromyko's departure the East Germans had said that Gromyko had reported to them that his discussions in Bonn had been very friendly. Herr Genscher had just learnt in Prague that Gromyko had told the Warsaw Pact countries that they should co-operate with the present Government in Bonn. It seemed that they expected the Government to win the next elections.

Andropov was likely to adopt a more flexible position on INF stationing. He had serious economic problems and was committed to heavy expenditure on other aspects of the Soviet armed forces. If the West remained united, there could well be some movement. Mitterrand was absolutely reliable on security questions, more so than his predecessor. The Italians were not likely to present problems. If Germany stood firm, so would the Netherlands. He had known Mr. Lubbers for years. Lubbers had visited Bonn last week and had explained that he was in great difficulties with his party. But nevertheless the Dutch were likely to remain firm - and if they did so so would the Belgians.

He had told Vice President Bush that with regard to the Geneva talks the position of the Allies was stronger than it had been a year ago. Europe's other problems with the United States were secondary to these questions of defence and security. Europe must support America.

Bush had been disturbed by the present attitude of the SPD. Many people in Washington had for too long identified Germany with the SPD. This was partly due to the nature of the East Coast establishment. Over the years the SPD had given a great deal of money to American scientific institutions

/and universities.

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and universities. Many SPD supporters now worked in the United States where they preached the glories of German Socialism.

One difficulty was the inconsistency of statements by US politicians. The major speech made by Bush during his recent visit to Germany had been excellent and President Reagan's "open letter" had made a good impact. But two days later it was reported from Arizona that Reagan had said that his letter was no more than propaganda.

The Prime Minister said that the West was entitled to point out consistently that its aim was to abolish a whole class of weapons and that we were the true disarmers. But if the zero option was unobtainable for the time being, what were US negotiating aims in Geneva? She thought we should try to negotiate a balance short of the zero option while recognising that the Russians would do everything they could to use bogus figures and to secure agreement that the British and French nuclear deterrents should be included in the debate. She was worried by a recent report that the Netherlands Prime Minister had said privately that these systems should be included. This attitude was quite wrong: the British deterrent was a weapon of last resort.

Chancellor Kohl said that he had told both Gromyko and Vice President Bush that Germany supported Britain's position on the British and French deterrents very firmly. On this matter he was entirely on our side. He had every confidence in the United States but even more in Germany's European friends who were geographically closer and whose fates were more closely interwoven. Everyone knew that neither Britain nor France was threatening the Soviet Union but merely safeguarding their own national security. And that meant that Britain and France were also guarding Germany's security.

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With regard to the zero option, he had told Mr. Bush that the decisive phase in the negotiations would begin to emerge at about the time of the Economic Summit at Williamsburg. The participants should use the opportunity to discuss this matter with Bush in the margins of the Summit. We should stick to our objective - the zero option - and campaign strongly for it. We should adhere to the NATO double decision and then negotiate step by step to see what we could achieve. Bush had told him very privately that the United States were thinking of putting Pershing I into the package but only after 6 March (from a remark by Mr. Teltschick, it appeared that the American reference had not been to Pershing I but to other obsolescent systems). It was not a question of everything or nothing. If the Soviet Union were prepared to scrap some of their missiles and the Americans stationed only some of theirs, then parity should be established. If we insisted on everything or nothing, we should obtain no results. There was no difference between us on these matters.

The Prime Minister said that she understood that after 6 March the Americans would probably attempt to achieve an agreement on something less than the zero option. Chancellor Kohl said that he agreed. It was very firmly the German view that the Americans should make this attempt. But now was not the time to say we were abandoning the zero option. The Prime Minister agreed; but we should point out that any other balance which could be negotiated was a step on the way towards the zero option. Chancellor Kohl said that he agreed entirely.

/The Prime Minister

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The Prime Minister asked whether the Chancellor had discussed with Mr. Bush the timing of deployment. She recalled that the Chancellor had told her earlier that one of his reasons for going to the country in March was to avoid deployment coinciding with elections. A similar problems could arise in the United Kingdom. So she wished to tell Chancellor Kohl in confidence that we were thinking of suggesting to the Vice President that November would be the best month for actual deployment. We should then be seen to be leaving several months for the negotiations in Geneva to bear fruit.

Chancellor Kohl said that he too was thinking of the late autumn. But he had not discussed the matter with Mr. Bush, the focus of whose current visit to Europe was very circumscribed.

/Chancellor Kohl

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Chancellor Kohl said that he had gathered from discussions that had taken place at another level that we planned to accept in June or July the first transport vehicles necessary for the Cruise missiles. He wished firmly to warn us against this timing. As soon as these vehicles were visible in the United Kingdom, they would be seen on German television. Then no-one would think that genuine negotiations were taking place in Geneva. The Prime Minister said that she agreed with this argument. It was important that nothing should become visible before the end of the year. Chancellor Kohl said that he was delighted that the Prime Minister agreed with him. He had made the same point to Vice President Bush. But she would hear different arguments from the Netherlands Prime Minister. The Dutch were thinking of asking for an extension of the deadline for negotiations e.g. until the end of 1984. He had told them that there was no good reason for postponement. If 1984, why not 1985? The Prime Minister firmly agreed. The Dutch would be running away if they made this proposal.

Chancellor Kohl said that he hoped that the Prime Minister would tell Vice President Bush that Germany and the United Kingdom were in total agreement about the problems connected with INF stationing. But she should also advise the United States to negotiate seriously and bear in mind the psychological situation in Europe.

He suggested that, in dealing with the press later, he and the Prime Minister should say that they were both firmly in favour of NATO's dual track decision; we wanted serious negotiations; we had absolute confidence in the United States who kept us closely informed; and we expected the Soviet Union to take a step forward. We should make it plain that we favoured the zero option, that it was not an all or nothing proposal and that in the course of the Geneva negotiations we should see what results were obtainable. These did not have to be quantified at this stage. For the sake of British public opinion he would say that Britain

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could rely on Germany. Germany did not wander between East and West.

The Chancellor suggested that views should be exchanged about the Economic Summit in Williamsburg. Perhaps one or two members of his own private staff and those of the Prime Minister could be instructed to work out the essential aims of the two countries for Williamsburg; then perhaps he and the Prime Minister could talk again before the Conference. We must tell the United States that Williamsburg must not become a propaganda exercise. President Mitterrand had told him that he would never repeat the failure of Versailles. In the Spring, the eyes of the world would be upon Williamsburg. We could not afford a spectacle of large gala dinners and no results. The purpose of these Summits was consultation, not decision. He did not want hundreds of officials and journalists to be present. It would be necessary to discuss agricultural questions at Williamsburg and make it plain to the Americans that their attitude towards the CAP presented us with problems.

The Prime Minister said that she believed that the Summit must discuss protectionism in general (for the CAP was protectionist). The United States, Japan and France were protectionist when it suited them. At these Summits, we had never dealt firmly with the Japanese on trade. But protectionism was spreading and we were all suffering from American protectionist measures. However, if we criticised these, we must expect retaliatory criticism of the CAP. Moreover, in a war based on competitive subsidies for exports, the Americans would win. She agreed that the Summit must not become a propaganda affair. But it would be necessary for the participants to agree upon certain broad approaches which could be described to the media.

It was agreed that the Chancellor and the Prime Minister would compare notes about Williamsburg at the next bilateral Summit in April.

/ The Prime Minister

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The Prime Minister said that she wished to mention the problem of the United Kingdom's trade with Spain, where we faced an enormous discrepancy in tariff arrangements. A number of companies were investing heavily in Spain, taking advantage of low wages and low overheads and under-cutting activity in the rest of the community. This was having a very serious effect on an important area of the United Kingdom and was fundamentally unfair. We had made it plain to the European Commission that the situation could not continue.

Chancellor Kohl said that he wished to mention the question of a possible East/West Summit. He had often argued that it would be useful for there to be a carefully prepared meeting between President Reagan and Mr. Andropov. For if the Russians were to move on INF they would do so at a Summit, not in Geneva.

The Prime Minister said that any Summit would have to be very carefully prepared. The Russians would be tempted to exploit public opinion in the West so that pressure was brought to bear on President Reagan to make a success of the Conference. This could be disastrous. Chancellor Kohl agreed that these dangers had to be borne in mind but said that he was convinced that the West held better cards than the Russians. He did not believe that the Russians would take any more tricks.

The Prime Minister said that it was possible to have a good hand but make a mess of playing it. A Summit between President Reagan and Mr. Andropov could be the meeting of the century. It would have to be very carefully prepared and rehearsed.

A.J.C.

4 February 1983





FILE

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10 DOWNING STREET

*From the Private Secretary*

4 February 1983

Visit by Chancellor Kohl

I enclose the section of the record of the Prime Minister's tête-à-tête conversation with Chancellor Kohl at Chequers today which dealt with trade questions.

A. J. COLES

John Rhodes, Esq.,  
Department of Trade.



DRAFT OPENING STATEMENT BY THE PRIME MINISTER AT HER JOINT  
PRESS CONFERENCE WITH CHANCELLOR KOHL AT HALTON HOUSE ON  
4 FEBRUARY

---

LADIES AND GENTLEMEN

THIS IS THE SECOND TIME DR. KOHL HAS VISITED BRITAIN  
SINCE HE BECAME CHANCELLOR LAST YEAR. ON THIS OCCASION  
OUR DISCUSSIONS CENTRED ON: DEFENCE, SECURITY AND ARMS  
CONTROL, <sup>the prospects for</sup> WORLD TRADE AND IN PARTICULAR  
THE THREAT OF PROTECTIONISM, AND ON COMMUNITY MATTERS.

FIRST THE GENEVA NEGOTIATIONS ON INTERMEDIATE NUCLEAR  
FORCES: WE ARE AGREED THAT THE ZERO OPTION REMAINS FAR  
AND AWAY THE BEST SOLUTION TO THE PROBLEM OF INF MISSILES  
IN EUROPE. WE ENDORSE PRESIDENT REAGAN'S PROPOSAL THAT HE  
AND MR. ANDROPOV SHOULD SIGN AN AGREEMENT BANNING ALL US  
AND SOVIET INTERMEDIATE RANGE LAND-BASED NUCLEAR MISSILES.  
BUT WE EMPHASISE THAT THE ZERO OPTION WAS NEVER A TAKE-IT-  
OR-LEAVE-IT PROPOSAL. IF THE SOVIET UNION IS AT PRESENT  
UNWILLING TO REACH AN AGREEMENT ON THESE LINES IN THE GENEVA  
NEGOTIATIONS, WE WOULD BE PREPARED TO CONSIDER, AS A FIRST  
STEP, AN ARRANGEMENT WHICH WENT LESS FAR. THE CHANCELLOR  
AND I ARE ABSOLUTELY CLEAR THAT ANY SUCH AGREEMENT SHOULD  
BE FIRMLY BASED ON THE PRINCIPLE OF BALANCE: THAT IS  
BALANCED NUMBERS IN AN EQUITABLE AGREEMENT BETWEEN THE  
UNITED STATES AND THE SOVIET UNION. IN THE LONGER TERM  
OUR GOAL REMAINS THE ACHIEVEMENT OF THAT BALANCE AT THE  
LEVEL OF ZERO.

/ THE INF NEGOTIATIONS



THE INF NEGOTIATIONS IN GENEVA ARE BETWEEN THE AMERICANS AND THE RUSSIANS, <sup>pursuant to the NATO decision</sup> AND ANY AGREEMENT THAT EMERGES THERE WILL BE ABOUT THEIR LAND-BASED MISSILES AND THEIRS ALONE. THE BRITISH POLARIS SUBMARINES, WHICH FORM OUR STRATEGIC DETERRENT, ARE EXCLUDED FROM THESE TALKS BY DEFINITION, LIKE COMPARABLE AMERICAN AND SOVIET SUBMARINES, AND THEREFORE HAVE NO PLACE.

ON TRADE, WE AGREED THAT IT WAS ESSENTIAL TO MAINTAIN THE OPEN TRADING SYSTEM AND TO REDUCE THE STRAINS UPON IT. TO THIS END WE AGREED ON A NUMBER OF FUNDAMENTAL POINTS.

FIRST, IF WE ARE TO RESIST SUCCESSFULLY THE PROTECTIONIST PRESSURES IN OUR OWN COUNTRIES, OTHER COUNTRIES WHICH HAVE BENEFITED FROM THE OPEN TRADING SYSTEM MUST BEAR THEIR SHARE OF THE RESPONSIBILITY BY ENSURING AND DEMONSTRATING FAIR TRADING OPPORTUNITIES. WE AGREED THAT JAPAN MUST CONTINUE TO MAKE HER MARKET MORE OPEN AND THUS SHOULDER HER RESPONSIBILITY FOR A FULL CONTRIBUTION TO THE OPEN TRADING SYSTEM. AND SPAIN, WHOSE ACCESSION TO THE COMMUNITY WE BOTH WELCOME, MUST RECOGNISE THAT IN THE MEANTIME THE PRESENT IMBALANCE IN TRADE RULES CANNOT CONTINUE.

SECONDLY, WE WELCOMED THE INTENTION OF THE US ADMINISTRATION TO STAND OUT AGAINST DOMESTIC PROTECTIONIST MEASURES. AND WE AGREED THAT TRADE PROBLEMS BETWEEN THE EUROPEAN COMMUNITY AND THE US, NOTABLY IN AGRICULTURE, MUST BE SETTLED BY DISCUSSION AND NEGOTIATION RATHER THAN BY CONFRONTATION.

/ THIRD,



THIRD, THE PIPELINE AFFAIR HIGHLIGHTED THE STRAINS CAUSED WHEN UNITED STATES' LAWS ARE APPLIED TO BUSINESSES IN OUR COUNTRIES - "EXTRATERRITORIALLY". IT IS FUNDAMENTAL TO OUR SOVEREIGNTY THAT CONTROLS IN OUR COUNTRIES SHOULD BE IMPOSED ONLY BY OUR GOVERNMENTS. [ THE CONTINUED USE OF EXTRATERRITORIAL CONTROLS DAMAGES JOBS IN OUR COUNTRIES, LEADS TO HOSTILITY TO US INVESTMENT AND HARMS ALL OUR ECONOMIES. MOST IMPORTANT, IT DISRUPTS POLITICAL RELATIONS WITHIN THE ALLIANCE. WE TRUST THAT THE UNITED STATES WILL SEIZE THE OPPORTUNITY OF THE RENEWAL OF THE EXPORT ADMINISTRATION ACT TO ELIMINATE THIS PROBLEM. ]

FOURTH, WE AGREED THAT BOTH COUNTRIES MUST WORK FOR A SUCCESSFUL FOLLOW-UP TO THE GATT MINISTERIAL MEETING LAST NOVEMBER.

LAST, WE WELCOME THE PROSPECT OF INTENSIVE WORK ON COMPLETING THE INTERNAL EC MARKET ON INDUSTRIAL GOODS AND ON SERVICES WHICH HAS BEEN BEGUN UNDER THE GERMAN PRESIDENCY.

AS YOU WOULD EXPECT, WE DISCUSSED INTERNAL COMMUNITY AFFAIRS IN SOME DEPTH, IN PARTICULAR THE IMBALANCE ARISING OUT OF THE COMMUNITY BUDGET. WE AGREED ON THE NEED FOR AN EARLY SOLUTION LEADING TO A FAIRER SHARING OF THE BURDEN.

NOW, DR. KOHL, WHAT WOULD YOU LIKE TO ADD?



PRIME MINISTER

cc: ~~Foreign Secretary~~  
Mr. Butler  
Mr. Coles  
Mr. Ingham

PRESS CONFERENCE

The main objective from our point of view is to continue to try to straighten out public opinion on nuclear arms/disarmament and to show that the Allies are marching in step.

Chancellor Kohl may well have similar objectives after his prime electoral one of being seen to be talking with the most senior Western leader in terms of continuous office.

So far as I can tell the media's main interest is in nuclear matters and therefore the Press Conference is likely to concentrate on this issue. This week the main point of media attack that I have had to cope with has been the allegation (which you heard from the American correspondents on Wednesday) that we are softening on the zero option.

You should be aware of the attached cutting on Bonn ideas of exploiting the Warsaw Pact's recent declaration calling for a non-aggression treaty (Annex 1).

Other issues which might arise (in addition to those touched upon in your opening statement) are:

- Unemployment; in view of our poor figures yesterday and an FT report today that unemployment is at a post-war record in West Germany (Annex 2);
- The water dispute on which the employers have apparently gone soft; John Vereker has done a note on today's CCU meeting (Annex 3); Tom King is going on the World at One and we shall try to get you a rundown of his remarks;



- The Press Council's severe criticism today of a number of newspapers and the police for their behaviour on the Yorkshire ripper story; I strongly advise you not to get involved at this stage and to say that you are aware of the Council's weighty and critical report, but you have not had time to read it and therefore do not wish to comment.

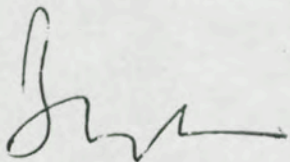
### Mechanics

Time is at a premium for the press conference and translation will further reduce the opportunity for questions. It is therefore very important, especially in view of Chancellor Kohl's tendencies, to keep it crisp. A brisk presentation from you will also serve your interests since you are not to give interviews after the press conference. Brief answers will stand a better chance of being used by radio and TV news on bulletins who will record the press conference.

We understand that Chancellor Kohl will want to give interviews to his own media afterwards. This will mean your hanging around a little time. There could therefore be attempts to try to get interviews with you. I hope you will resist them on the grounds that you have said all you wish to say in the press conference.

### Election

One final point: Chancellor Kohl's visit is seen by the media as very much part of his electioneering. Your performance will therefore be particularly closely scrutinised by those who would like to charge you with becoming involved in another country's election.



4 February 1983



## ANNEX 1

● LONDON: Dr. Helmut Kohl, the West German Chancellor is hoping to explore with Mrs Thatcher ways in which the Nato allies could take advantage of the Warsaw Pact's recent Prague declaration calling for a non-aggression treaty. (Michael Knipe writes).

This will be one of the subjects under discussion today when the German leader has a working lunch with Mrs Thatcher at Chequers.

Bonn believes that it might be possible to link the Pact's proposals with other issues of importance such as Soviet withdrawal from Afghanistan, lessening Soviet influence in Poland or perhaps some modification in the Brezhnev doctrine whereby Moscow reserves the right to interfere in its allies' affairs.



# Unemployment at post-war record in W. Germany

BY STEWART FLEMING IN FRANKFURT

UNEMPLOYMENT in West Germany reached a post-war record of almost 2.5m in January, posing a serious challenge to Chancellor Helmut Kohl's coalition in the run-up to the general election on March 6.

The increase, which takes the rate to 10.2 per cent compared to 9.1 per cent in December, is much sharper than expected. Herr Josef Stingel, president of the Labour Office, said it reflected the continuing weakness in the economy and had occurred in spite of mild winter weather.

Ministers moved quickly to try to defuse the electoral threat. Herr Kohl called on the unions to join in discussions with the Government and employers tackling the issue. He also claimed that the first signs of economic revival are appearing.

Among the factors he cited were figures published yesterday showing a sharp rise in new industrial orders in December. This is the second consecutive monthly increase in new orders, a rough indicator of industrial economic activity.

In November and December they were 7.5 per cent above the previous two months in real terms. The increase was due to the strength of the domestic market where orders were up 10 per cent. Foreign orders fell 0.5 per cent, partly the result of a 5.5 per cent drop in December.

It is generally thought that the rise overstates the underlying strength of order books, however. The expiry of the Government's investment subsidy at the end of the year has encouraged companies to bring forward orders. In addition, orders in some industries are

being written with a clause which allows them to be cancelled after the general election. This is designed to protect companies if they feel the result is unfavourable to the corporate sector.

● Unemployment in Norway, until recently almost negligible compared with levels in the rest of Europe, is now at a post-war high. The total reached 67,600 in January, more than 4 per cent of the labour force and 60 per cent higher than a year ago, writes Fay Gjester in Oslo.

At first, the rise was due mainly to lay-offs and short-time working in export industries, like metals and shipbuilding, vulnerable to the world recession. Now, the effect of the recession is spreading to all sectors of the economy. Business is generally nervous about the future, anxious to keep down costs, and unwilling to start new projects.

Mr Arne Rettedal, the Minister of Labour, last week announced an eight-point plan to create 40,000 jobs, mainly by giving local authorities emergency funds to spend on public works. Meanwhile, labour exchanges in some of the worst hit districts are having to close two days a week to give staff a chance to process the flood of claims for unemployment benefits.

● Belgian unemployment at the end of January reached a record 11.9 per cent, up from 11.6 per cent in December, AP-DJ reports from Brussels. The number of jobless soared to 497,000 from 384,000. Comparable figures for January 1982 were 439,000 unemployed, or 10.9 per cent of the workforce.

It was the sixth consecutive bi-monthly jobless record.



MR INGHAMcc Mr Scholar  
Miss Christopherson  
Mr MountWATER STRIKE

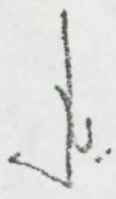
The Ministerial CCU this morning devoted almost all its time to a discussion of the presentational difficulty about which we spoke first thing this morning. All those present agreed that Len Hill's "15-10 increase" was being presented in a very damaging fashion, indicating that the Government and the National Water Council were giving in; and that the kind of figures that were being bandied around for the eventual pay increase would have to be knocked down. Mr King started to argue that any intervention at this stage might prejudice the negotiations which were expected to take place over the next few days, <sup>but</sup> he found no support. As we agreed, I said that Mr King and the NWC should agree a line making it absolutely clear what the terms of any further negotiations were, and should get this out without delay. The Home Secretary asked if we could do this with the Lobby; I said that we could, but it was more important to get Mr King on radio as soon as possible. It was agreed that Mr King would do World At One today (and he will also be available for World This Weekend on Sunday).

The outlook for the negotiations is quite promising. The unions know perfectly well that the 15-10 has a number of qualifications attached to it, and Len Hill explained in some detail last night that the opportunities for extra payments arose only where changes in working practices were needed. The NWC will explain to the unions today that the further discussions are taking place under paragraph 8 of the mediator's report, and on the understanding that the rest of the mediator's recommendations are accepted. They will not agree to further negotiations without preconditions. Peter Harrop believes that the negotiations may not reach a critical point until Sunday. Meanwhile the physical



effects of the strike are broadly unchanged, and it is not yet clear whether the threats to remove emergency cover are real.

After the meeting, the Home Secretary, Mr King, Peter Harrop, Mr King's Director of Information and I had a session at my request to agree the line that we would take with the Lobby, consistent with what Mr King would say on World At One. We shall of course have to follow carefully what Mr King says at lunchtime; but we agreed that the position which could be used publicly is as in the attached note.



4 February 1983



The negotiations will be within the terms of the mediator's report, which was put to the unions on 23 January. This means that:

(i) The unions must accept the report as a whole, notably the recommendation of a 7.3% increase over a 16 month period, and the rejection of an increase to restore the relative position of water workers in the earnings league, or to bring them into the upper-quartile of manual workers' national earnings;

(ii) Payments for improved productivity will be available only where administrative efficiencies or changes in working practices are required and agreed. Such changes would have to be self-financing, and, as Mr Bill said in a BBC Radio interview yesterday, the new increase would not be available for everybody;

(iii) There is no question of an increase in the basic offer.



BACKGROUND OF BRIEFING ON BILATERALS: 1230 HOURS: 4 FEBRUARY 1983

The Prime Minister and Chancellor Kohl held a one and a quarter hour tete a tete meeting at Chequers in which they discussed two main subjects. First, was the INF talks and the stationing in Europe of Cruise and Pershing missiles, and secondly the world economic situation.

There was a very good atmosphere and some thorough and really useful talks, demonstrating the value of these close bilateral consultations.

Chancellor Kohl briefed the Prime Minister on his recent conversations with Vice-President Bush, the earlier visit of Gromyko to Bonn and his talks with President Mitterrand at the marking of the 20th Anniversary of the Franco-German Treaty.

The two leaders compared notes on all aspects of the disarmament/arms reduction negotiations and found a complete identity of views which we expect will be reflected in the press conference. Turning to the world economic situation they discussed the prospects for economic recovery and in particular the dangers posed by protectionism. In that context, they discussed trade with Japan; ~~the particular problem that Spain presents - and on that the Prime Minister emphasised the need to resolve it soon;~~ and the desirability of working to remove the differences between the United States and the Community on agriculture.

The Prime Minister and Chancellor Kohl both underlined the importance of the Williamsburg Economic Summit and agreed over the coming weeks that our two countries would closely consult on our positions.

At 1215 the Prime Minister and Chancellor Kohl were joined by the two Foreign Secretaries, Mr. Pym and Herr Genscher when they turned to Community matters.



Earlier Mr. Pym and Herr Genscher had held separate discussions covering much the same field as their principals.

*Sum*

CONFIDENTIAL

4 February 1983



PRIME MINISTER

CHANCELLOR KOHL'S VISIT: BRIEFING MEETING

I attach the programme for the visit.

Nuclear and Defence Issues

I suggest that you do not spend time on the delicate issues - this briefing meeting is too big. Chancellor Kohl is hoping you will say something helpful to him at the Press Conference. I attach a draft.

You could ask Mr. Heseltine or Clive Whitmore whether there are any other defence issues which need to be discussed.

Trade Issues

This is the next main topic. Originally, Kohl asked for the visit to discuss protectionism. You could ask Lord Cockfield to describe the issues.

There is a proposal that you and Kohl should try to agree on a message to President Reagan warning him that the Alliance will be damaged if US trade policy is determined by protectionist forces. We should decide today whether to pursue this proposal because we must give the Germans notice.

Community Issues

You could ask the Foreign Secretary to lead on these.

Other International Questions

Again, the Foreign Secretary to lead. You may be asked at your Press Conference about German arms for Argentina and may wish to say that you and the Chancellor have discussed it.

A. J. C.

3 February 1983



PROGRAMME FOR THE VISIT OF CHANCELLOR KOHL: FRIDAY 4 FEBRUARY

- 1000 Chancellor Kohl and Herr Genscher arrive at RAF Benson. Met by Prime Minister and Foreign and Commonwealth Secretary. (NO Guard of Honour). Drive to Chequers. *(PM & Chancellor to travel in same car).*
- 1040 approx. Tete-a-tete talks between Prime Minister and Chancellor Kohl (with notetakers and interpreter present). Separate talks between Mr. Pym and Mr. Genscher.
- 1200 approx. Mr. Pym and Mr. Genscher join Prime Minister and Chancellor Kohl (with notetakers and interpreter present) for talks.
- 1245 for 1300 Working lunch attended by:
- |                   |                   |
|-------------------|-------------------|
| Prime Minister    | Chancellor        |
| Mr. Pym           | Mr. Genscher      |
| Sir Jock Taylor   | German Ambassador |
| Mr. Evans         | Mr. Teltschick    |
| Mr. Gillmore      | Mr. Grimm         |
| Private Secretary | One other         |
| + Interpreter     |                   |
- There will be a separate lunch for:
- |                         |           |
|-------------------------|-----------|
| PS to Prime Minister    | Mr. Neuer |
| PS to Foreign Secretary | 2 others  |
| ?1 other                |           |
- 1345 Coffee - preparation for press conference
- 1400 Leave for RAF Halton
- 1415-1445 Press Conference at RAF Halton
- Proceed to RAF Benson
- 1530 Chancellor Kohl and Mr. Genscher leave from RAF Benson. Foreign and Commonwealth Secretary will bid farewell.



CONFIDENTIAL



Foreign and Commonwealth Office

London SW1A 2AH

3 February 1983

*You John,*

Prime Minister's Joint Press Conference with  
Chancellor Kohl on 4 February

/ Ian Kydd asked us to draft an opening statement for the Prime Minister to use at her press conference with Chancellor Kohl at the conclusion of the talks at Chequers on 4 February. This I now enclose. Press interest is likely to concentrate on arms control.

Sir Jock Taylor has suggested that it would be particularly useful to have a clear statement by the Prime Minister about INF, following President Mitterrand's comparable statement to the Bundestag about French systems on 20 January. The Foreign and Commonwealth Secretary agrees that a similar statement by the Prime Minister which Chancellor Kohl would endorse, could have a very helpful effect on German opinion.

/ Ian Kydd did not ask for supplementary briefing material to guide the Prime Minister in answering questions. Mr Pym thinks it possible, however, that the Prime Minister may be pressed to say why British (and French) nuclear weapons should not be taken into account in the Geneva INF negotiations. I attach a separate line to take on this point.

*John*  
*R B Bone*

(R B Bone)  
Private Secretary

A J Coles Esq  
10 Downing Street

CONFIDENTIAL





DRAFT OPENING STATEMENT BY THE PRIME MINISTER AT HER JOINT  
PRESS CONFERENCE WITH CHANCELLOR KOHL AT HALTON HOUSE ON  
4 FEBRUARY

Ladies and Gentlemen

This is the second time Dr Kohl has visited Britain since he became Chancellor last year. On this occasion our discussions centered on: defence, security and arms control, the prospects for world trade, and in particular the threat of protectionism, and on Community matters.

First the Geneva negotiations on Intermediate Nuclear Forces: we are agreed that the zero option remains far and away the best solution to the problem of INF missiles in Europe. We endorse President Reagan's proposal that he and Mr Andropov should sign an agreement banning all US and Soviet intermediate range land-based nuclear missiles. But we emphasise that the zero option was never a take it or leave it proposal. If the Soviet Union is at present unwilling to reach an agreement on these lines in the Geneva negotiations, we would be prepared to consider, as a first step, an arrangement which went less far. The Chancellor and I are absolutely clear that any such agreement should be firmly based on the principle of balance: that is balanced numbers in an equitable agreement between the United States and the Soviet Union. In the longer term our goal remains the achievement of that balance at the level of zero.

/The INF





The INF negotiations in Geneva are between the Americans and the Russians, and any agreement that emerges there will be about their land-based missiles and theirs alone. The British Polaris submarines, which form our strategic deterrent, are excluded from these talks by definition, like comparable American and Soviet submarines, and therefore have no place.

NATO

On trade, we agreed that it is essential to maintain the open trading system and to reduce the strains on it. If we are to resist successfully the protectionist pressures in our own countries, other countries which have benefitted must bear their share of the responsibility by ensuring fair trading opportunities. We agreed that Japan has a particular responsibility in this regard and that Spain too needs to open its markets in sectors in which it is becoming a significant and competitive exporter. We welcome the intention of the US Administration to stand out against domestic protectionist measures. We agreed that trade problems between the European Community and the US, notably in agriculture, must be settled by discussion and negotiation rather than by confrontation.

As you would expect, we discussed internal Community affairs in some depth, in particular the imbalance arising out of the Community budget. We agreed on the need for an early solution leading to a fairer sharing of the burden.

Now Dr Kohl, what would you like to add?



① Chancellor to Gove.

Markt of June

European Council

By June need settlement.

② F.R.G. - no more than 25% of  
world. VAT share to refunds.

(9½2)

∴ Burden of financing shifted to  
others. - 9% wage.

③ They don't - Have a budget problem

- only because of U.K.

Red. Rev. from small milk producers  
in France

Limit to common contribution.

④ Officials left.





Surely the Russians have a point in saying that British (and French) nuclear weapons must be taken into account in arms control?

Not in INF. That is confusing chalk and cheese. As for the other talks (START) dealing with strategic missiles and bombers, the first and main priority is to get the huge Russian and American arsenals reduced. British Polaris represents a very small fraction, less than  $2\frac{1}{2}$  % of the 2,700 Soviet strategic missiles and bombers. If these circumstances were to change significantly, for example if the Soviet threat to the UK were to be substantially reduced, we would be willing to look at our position again on arms control. But first things first.



Prices - Af.

Leve until 31/3/83

Then replaced.  $5\frac{1}{2}\%$

9 countries with Presidency.

Butter subsidies, -

Budget - 1983.

Trade War. - U.S. }  
Fr. live - hard }

Amendment, "Not a letter of  
on leave of absence"

Zero option -

Protectionist Bill - U.S.

Help - special status.

£10m - investment duty.  
200 bills - domestic content.



Mr. Coles Thanks

Mr. Dutton

To see.

3/2.

Mr Bone  
Private OfficeVISIT OF CHANCELLOR KOHL (AND HERR GEHSCHER) TO CHEQUERS:  
4 FEBRUARY 1983

BRIEF NO 3: ARMS CONTROL AND DEFENCE

1. There is a misprint in para 3, line 4, of the Brief on Arms Control and Defence; 'equal ceilings on missiles' should read 'equal ceilings on warheads.'

2. Mr Gillmore will mention this misprint at this afternoon's briefing meeting at No 10 so that Mr Coles' brief can be amended. Could I ask you to amend the copy of the brief for the Secretary of State?

*R. H. T. Gozney*

R H T Gozney  
Defence Department

3 February 1983

cc: Sir J Bullard  
Mr Evans  
Mr Gillmore ✓  
Mr Goodison  
Mr Hannay  
PS/Sir R Armstrong)  
Mr Hancock )  
Mr Goodall. ) Cabinet Office  
Miss Lambert )  
PS/Sir D Wass Treasury  
Mr Littler Room 114 Treasury Chambers  
PS/Mr Whitmore MOD  
PS/Mr Franklin Department of Trade  
PS/Sir P Carey Department of Industry  
PS/Sir K Couzens Department of Energy  
PS/Sir K Barnes Department of Employment  
PS/Sir B Hayes MAFF  
Dr Price DS 17 MOD  
Mr Munro WED, FCO



Handwritten text at the top left, possibly a name or address, which is mostly illegible.

3  
1983

11-12  
9  
8  
7  
6







10 DOWNING STREET

JOHN

PHOTO FOR KOHL

Trina tells me that we need to give Chancellor Kohl a silver framed PM photo - the last two came to grief en route to Germany.

I am taking a frame and photo to Chequers with me this evening, if you could please ask the PM to personalise it, etc.

Thanks.

Debbie Green

3/2





DEPARTMENT OF TRADE  
1 VICTORIA STREET  
LONDON SW1H 0ET

TELEPHONE DIRECT LINE 01 215 5317  
SWITCHBOARD 01 215 7877

3 February 1983

J Coles Esq  
10 Downing Street  
London SW1

Dear John,

*W 4/2*  
*h-a*

I enclose a draft of the communique on trade following the meeting with the German Chancellor at Chequers tomorrow.

I have read it over to Richard Evans who understands why there is a certain amount of guidance in square brackets. We all know the thing will have to be negotiated. But I have drafted it in the light of what I think gives you the best chance of German acquiescence. The Spanish thing is much the most difficult.

I am sending copies of this letter and enclosure to Geoffrey Littler (Treasury), Brian Hayes (MAFF), David Hancock (Cabinet Office) and Richard Evans (FCO). I am also enclosing a number of extra copies for you to take to Chequers.

yours  
*R W Gray*

R W GRAY





On trade, we agreed that it was essential to maintain the open trading system and to reduce the strains upon it. To this end we agreed on a number of fundamental points.

First, if we are to resist successfully the protectionist pressures in our own countries, other countries which have benefited must bear their share of the responsibility by ensuring and demonstrating fair trading opportunities. We agreed that Japan must continue to make her market more open and thus shoulder her responsibility for a full contribution to the open trading system. [Do not seek German agreement to the second leg of our approach - export restraint.] And Spain, whose accession to the Community we both welcome, must recognise that in the meantime the present imbalance in trade ~~relations~~<sup>rules</sup> cannot continue. [The Germans may not agree to this so alternative formulae are "I emphasised to the Chancellor that....." or "The Chancellor recognised the U.K. concern that.....".]

Secondly, we welcomed the intention of the U.S. Administration to stand out against domestic protectionist measures. And we agreed that trade problems between the European Community and the U.S, notably in agriculture, must be settled by discussion and negotiation rather than by confrontation.

Third, the pipeline affair highlighted the strains caused when United States laws are applied to businesses in our countries - "extraterritorially". It is fundamental to our

/sovereignty





sovereignty that controls in our countries should be imposed only by our Governments. The continued use of extraterritorial controls damages jobs in our countries, leads to hostility to US investment and harms all our economies. Most important, it disrupts political relations within the Alliance. We trust that the United States will seize the opportunity of the renewal of ~~your~~<sup>the</sup> Export Administration Act to eliminate this problem.

Fourth, we agreed that both countries must work for a successful follow-up to the GATT Ministerial meeting last November. [The Germans will agree to this because they are anxious that some progress should be demonstrated before UNCTAD VI in June. If they can be induced to mention the work programmes on services and on trade between developed and developing countries (the NIC problem), so much the better.]

Last, we welcome the prospect of intensive work on completing the internal EC market on industrial goods and on services which has been begun under the German Presidency. [This avoids UHT milk - and indeed agriculture generally.]



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GPS 250  
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DESKBY 031700Z  
FM BONN 031520Z FEB 83  
TO IMMEDIATE FCO  
TELEGRAM NUMBER 122 OF 03 FEBRUARY  
INFO IMMEDIATE UKDEL NATO  
INFO PRIORITY WASHINGTON PARIS MODUK(DS12 DS17)  
INFO SAVING OSLO COPENHAGEN BRUSSELS ANKARA ATHENS ROME MADRID (AND  
FOR UKDEL) THE HAGUE MOSCOW EAST BERLIN

YOUR TELEGRAM NO 30 TO UKDEL NATO: PRAGUE DECLARATION

1. THE ANGLO-GERMAN CONSULTATIONS ON USSR AND EASTERN EUROPE ON 7 FEBRUARY WILL PROVIDE AN EXCELLENT OPPORTUNITY TO GO OVER OUR VIEWS IN DETAIL. MEANWHILE MALLABY HAS SKETCHED OUT TO PFEFFER THE POINTS IN PARAGRAPHS 4 TO 7 OF TUR. AS YOU KNOW, THE GERMANS HAVE BEEN THINKING PARTLY ALONG THE SAME LINES AND, NOT SURPRISINGLY, PFEFFER FOUND YOUR VIEWS VERY ATTRACTIVE. HE PARTICULARLY ACCEPTED THAT IT SHOULD BE EASIER FOR THE ALLIANCE TO AGREE ON PUTTING QUESTIONS TO WARSAW PACT COUNTRIES THAN ON OTHER POSSIBLE COURSES OF ACTION. HE ALSO SAW THE PROCESS OF PUTTING THE QUESTIONS, AND PERHAPS LATER SOME FURTHER SUPPLEMENTARY QUESTIONS, AS A GOOD WAY OF KEEPING THE PROPOSALS IN THE PRAGUE DECLARATION AWAY FROM THE CENTRE OF THE EAST/WEST STAGE, AND THUS PREVENTING THEIR OVERSHADOWING INF AND OTHER MORE SUBSTANTIVE MATTERS.

2. PFEFFER VOLUNTEERED THE IDEA THAT IT MIGHT BE SENSIBLE ONE DAY TO PURSUE THE QUESTION OF A NON-AGGRESSION PACT WITHIN THE CSCE FRAMEWORK. THE ADVANTAGES WOULD INCLUDE:

- (A) A MAJORITY OF CSCE STATES WOULD PROBABLY SUPPORT THE WEST IN INSISTING THAT ANY NON-AGGRESSION PACT MUST GENUINELY ADD TO EXISTING OBLIGATIONS.
- (B) THERE WOULD BE A STRONG MAJORITY, INCLUDING EVEN SOME OF THE EASTERN EUROPEANS, FOR ENSURING THAT NON-AGGRESSION OBLIGATIONS SHOULD OVERRIDE THE BREZHNEV DOCTRINE.
- (C) THE LANGUAGE OF THE HELSINKI FINAL ACT ON THIS POINT COULD BE HELPFUL IF IT EVER CAME TO DRAFTING A TREATY.
- (D) A BLOC-TO-BLOC NEGOTIATION WOULD BE AVOIDED.

FCO PLEASE PASS TO SAVING ADDRESSEES

UNWIN

CSCE GENERAL

STANDARD

CSCE UNIT

EESD

CRD

ECD (E)

ECD (I)

NAD

MVD

NTD

TRED

UND

MR THOMAS

ADDITIONAL DISTRIBUTION

CSCE GENERAL

[PASSED AS REQUESTED]

**CONFIDENTIAL**



UNCLASSIFIED

DESKBY 031400Z

FM BONN 031110Z FEB 83

TO IMMEDIATE FCO

PS TO PM 10 DOWNING ST.

TELEGRAM NUMBER 118 OF 03 FEBRUARY

INFO ROUTINE WASHINGTON PARIS UKDEL NATO

HNFO SAVING THE HAGUE CICC(G)

KOHL ON INF

1. SPEAKING AT A CDU DISARMAMENT CONFERENCE TODAY, CHANCELLOR KOHL SAID THAT HE WAS GRATIFIED AT THE SUPPORT WITHIN THE ALLIANCE FOR THE ZERO OPTION. HIS RECENT TALKS WITH MITTERRAND, LUBBERS AND BUSH HAD REINFORCED HIS CONVICTION THAT THE WEST SHOULD STICK TO THE QUOTE VERY REASONABLE AIM UNQUOTE OF THE ZERO SOLUTION. KOHL WAS CONFIDENT THAT HIS MEETING WITH THE PRIME MINISTER TOMORROW WOULD DEMONSTRATE QUOTE COMPLETE UNANIMITY ON ALLIANCE QUESTIONS UNQUOTE.

2. REFERRING TO MITTERRAND'S SPEECH IN THE BUNDESTAG ON 20 JANUARY, KOHL SAID THAT THE IMPLEMENTATION OF THE NATO DOUBLE DECISION WAS ESSENTIAL TO SAFEGUARD THE MILITARY BALANCE IN EUROPE, AND TO PREVENT THE SOVIET UNION REALISING ITS AIM OF DECOUPLING EUROPE FROM THE US. IT WAS DOUBTFUL WHETHER THE SOVIET UNION WOULD BE WILLING TO NEGOTIATE SERIOUSLY BEFORE 6 MARCH. THE SOVIETS WERE MORE INTERESTED AT PRESENT IN WINNING THE HEARTS AND SOULS OF GERMANS THAN ACHIEVING PROGRESS IN GENEVA.

FCO PLEASE PASS SAVING TO THE HAGUE.

WED PLEASE SHOW TO SIR J TAYLOR

TAYLOR

[REPEATED AS REQUESTED]

LIMITED

DEFENCE D

ACDD

NEWS D

EESD

NAD

WED

PS

PS/MR HURD

SIR J BULLARD

MR WRIGHT

MR GILLMORE

MR GOODISON

ADDITIONAL DISTRIBUTION

START



CONFIDENTIAL



Foreign and Commonwealth Office

London SW1A 2AH

3 February, 1983

*Copies to*

*(1) P. N.'s file*

*(2) Mr. Butler*

*(3) me.*

*M 3/2.*

*Jon Teh.*

Visit of Chancellor Kohl (and Herr Genscher) to Chequers on  
4 February

I wrote to you on 1 February enclosing briefs for this  
/ visit. I now enclose supplementary briefing on the outcome  
of the Internal Market Council in Brussels, and on US  
speciality metals.

*in attached folder*

*See memo.*  
*R B Bone*

(R B Bone)  
Private Secretary

A J Coles Esq  
Private Secretary  
10 Downing Street

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MR. COLES

German Visit: Chequers  
Friday, 4 February 1983

I attach the list of guests attending the lunch together with a draft seating plan.

I also attach a list of those attending the separate lunch Flag A in North Lodging and suggestions from Miss Thomas as to where Flag B the meetings could be held.

Sue Goodchild  
—

3 February 1983

c.c. Mr. Robin Butler  
Miss Thomas



LIST OF GUESTS ATTENDING THE LUNCHEON TO BE GIVEN BY THE  
PRIME MINISTER IN HONOUR OF HIS EXCELLENCY DR. HELMUT KOHL,  
CHANCELLOR OF THE FEDERAL REPUBLIC OF GERMANY ON FRIDAY, 4 FEBRUARY  
AT 12.45 PM FOR 1.00 PM

---

The Prime Minister

His Excellency Dr. Helmut Kohl                      Chancellor of the Federal  
Republic of Germany

His Excellency Herr Hans-Dietrich Genscher      Foreign Minister

His Excellency the Ambassador of the Federal Republic of Germany

Herr Horst Teltschik                                  Diplomatic Adviser, Chancellor's  
Office

Herr Per Fischer                                      Deputy Secretary, Economic  
Affairs, Ministry of Foreign  
Affairs

Herr Franz Pfeffer                                    Deputy Secretary, Politico-  
Military Adviser, Ministry of  
Foreign Affairs

Herr Georg Grimm                                    Deputy Secretary, Economic  
Affairs, Chancellor's Office

Rt. Hon. Francis Pym, MP

Sir Jock Taylor                                      HM Ambassador, Bonn

Mr. Richard Evans                                    Foreign and Commonwealth Office

Mr. David Gillmore                                   Foreign and Commonwealth Office

No. 10 Private Secretary

plus one other

Interpreters:

Mr. Rudi Lederer      (Prime Minister)

Herr Weber (Chancellor Kohl)

Frau Sieberg      (Herr Genscher)

14



SEPARATE LUNCH TO BE HELD IN NORTH LODGINGS AT CHEQUERS  
FRIDAY, 4 FEBRUARY 1983

---

No. 10 Private Secretary

Mr. Roger Bone (Private Secretary to  
Foreign Secretary )

? plus one

Herr Walter Neuer

Chancellor's Office (European Affairs)

Herr Henning Horstmann

Counsellor, Ministry of Foreign Affairs

? plus one



DRAFT SEATING PLAN: LUNCH AT CHEQUERS ON FRIDAY, 4 FEBRUARY

One other

Herr Georg Grimm

~~TELSCHIK~~

~~Mr. David Gillmore~~

~~EVANS~~

~~Sir Jock Taylor~~

~~TAYLOR~~

~~Herr Horst Teltschik~~

~~GENSCHER~~

~~HIS EXCELLENCY  
DR. HELMUT KOHL~~ \*

~~KOHL~~

~~Rt. Hon. Francis Pym~~

PRIME MINISTER \*

~~PYM~~

\* ~~His Excellency Herr Hans Dietrich  
Genscher~~

His Excellency the Ambassador  
of the Federal Republic  
of Germany

~~Mr. Richard Evans~~

Herr Per Fischer

Herr Franz Pfeffer

No. 10 Private Secretary

~~GILLMORE~~

\* Interpreters

ENTRANCE



MR. BUTLER ✓

MR, COLES

FRONT DOOR

The following will be attending the briefing meeting for the German bilaterals tomorrow at 1630:

Foreign and Commonwealth Secretary

Secretary of State for Defence

Secretary of State for Trade

Chancellor of Exchequer

Minister of Agriculture

Sir Julian Bullard

Mr. Evans

Sir Jock Taylor

Sir Robert Armstrong

Mr. Hancock

Mr. Goodall

Mr. Gray

Mr. Littler

1 official from Ministry of Defence

Sir Brian Hayes

*el.*

2 February, 1983.



ADVANCE COPY

R02/11432

CB BONN/ FCO 005/02

(Tel/w/er)  
n / Def D  
n / LZD (E)  
n / LZD (I)  
n / LZSD

~~XXXX~~

OO FCO

PS  
PS / Mr Howard  
PS / Ld Belstead  
Sir Bullard  
Mr Goodison

RR TFC RELAY

IMMEDIATE

GRS 760A

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FM BONN 021035Z FEB 83

TO IMMEDIATE F C O

TELEGRAM NUMBER 112 OF 02 FEBRUARY

INFO SAVING WASHINGTON MOSCOW UKDEL NATO BMG BERLIN CGS IN FRG  
CICC(G).

No 10 JS ✓

YOUR TELNO 46: VISIT OF CHANCELLOR KOHL (AND HERR GENSCHER)  
TO CHEQUERS, 4 FEBRUARY.

1. KOHL'S AND GENSCHER'S THOUGHTS ARE CURRENTLY DOMINATED BY THE FEDERAL ELECTION CAMPAIGN. THE CDU/CSU'S SUPPORT IN THE OPINION POLLS HAS HELD FAIRLY STEADY AT ABOUT 47 PERCENT, ALTHOUGH ONE RECENT POLL SHOWED IT SOMEWHAT LOWER. THE MOST LIKELY OUTCOME IS STILL THAT THE CDU/CSU WILL BE RETURNED TO POWER ON 6 MARCH, WITH OR WITHOUT THE FDP AS COALITION PARTNER. BUT THE GAP IN THE POLLS BETWEEN THEM AND THE SPD HAS BECOME MUCH NARROWER. VOGEL OF THE SPD HAS SHOWN HIMSELF A MORE ATTRACTIVE CHANCELLOR CANDIDATE THAN MANY EXPECTED, AND HIS PARTY HAS MADE MUCH OF THE RUNNING SO FAR ON THE MAIN CAMPAIGN ISSUES. ALTHOUGH HE EXUDES CONFIDENCE KOHL MUST BE UNCOMFORTABLY AWARE OF THE GAP BETWEEN CDU AND SPD.

2. GENSCHER IS FIGHTING FOR HIS POLITICAL LIFE (AMONG OTHER THINGS, USING HIS FOREIGN MINISTER MANTLE TO THE UTMOST AND GAINING MUCH PUBLICITY AS A PROMOTER OF GERMAN INTERESTS IN THE PROCESS). THE FIGHT HAS RECENTLY BEEN GOING WELL. THE FDP'S PROSPECTS OF



~~THE FIGHT HAS RECENTLY BEEN GOING WELL. THE FDP'S PROSPECTS OF STAYING IN THE GOVERNMENT LOOK BETTER THAN FOR SOME TIME. AT THEIR CONFERENCE IN FREIBURG LAST WEEKEND, AT WHICH THEY DECLARED THEMSELVES FOR CONTINUING THE PRESENT COALITION WITH THE CDU, THEY CAME ACROSS AS UNITED, IN STRONG CONTRAST TO THEIR DISARRAY IN BERLIN LAST NOVEMBER. LATEST OPINION POLLS, TAKEN EVEN BEFORE THAT CONFERENCE, SHOW SUPPORT FOR THE FDP RISING FROM 3.3 PERCENT TO VERY NEAR THE CRUCIAL 5 PERCENT, AND THE TECHNICALITIES OF THE SYSTEM MEAN THAT THIS COULD UNDERRATE THEIR TRUE STRENGTH. SUPPORT FOR THE GREENS, ON THE OTHER HAND, IS SLIDING, AND THE IMPRESSION IS GROWING THAT THEY ARE UNLIKELY TO MAKE IT INTO THE BUNDESTAG.~~

3. BUT THERE ARE STILL OVER 4 WEEKS TO GO, AND THE ELECTION CAMPAIGN HAS NOT YET COME FULLY ALIVE. THE GOVERNMENT'S HANDLING OF ECONOMIC ISSUES HAS BEEN SOMEWHAT UNCERTAIN AND SHOWS SOME DIFFERENCES BETWEEN THE CDU AND FDP. AND THE SPD HAVE MADE SOME FAIRLY EFFECTIVE CRITICISMS, NEVERTHELESS, IT IS TOO SOON TO SAY WHICH SIDE WILL WIN THE ECONOMIC DEBATE IN THE CAMPAIGN.

4. AGAINST THE DECLARED INTENTIONS OF THE MAJOR PARTIES, INF HAS SO FAR BEEN THE DOMINANT THEME, WITH THE SDP, FREE OF THE RESPONSIBILITIES OF OFFICE, SEEKING TO INCREASE THEIR APPEAL BY LAYING GREATER EMPHASIS ON THE NEED FOR MOVEMENT AND SUCCESS IN NEGOTIATIONS. KOHL'S STRICT ADHERENCE TO THE ZERO OPTION AT ONE TIME LOOKED DANGEROUSLY LIKE RIGIDITY, ESPECIALLY AS GENSCHER TRIED TO PROFILE HIS PARTY WITH TALK OF INTERIM SOLUTIONS WHICH WAS NOT HELPFUL TO THE WESTERN POSITION. BUT MITTERRAND'S SPEECH TO THE BUNDESTAG ON 20 JANUARY AND BUSH'S IN BERLIN (MY TELNO 104) HAVE HELPED KOHL'S CREDIBILITY BY EMPHASISING ALLIANCE SOLIDARITY AND SIGNALLING AMERICAN DETERMINATION TO ACHIEVE PROGRESS IN THE NEGOTIATIONS ON ACCEPTABLE TERMS.

ALTHOUGH THE GENERAL LINE OF BUSH'S SPEECH WAS RATHER HARD, KOHL'S STAFF RECKON THAT THE SUMMIT OFFER, OFTEN URGED BY KOHL, WILL HELP THE LATTER IN THE ELECTIONS. MOST OF TODAY'S GERMAN PRESS APPROVES THE REAGAN LETTER AND SUPPORTS THIS VIEW. THERE IS ALSO SOME CRITICISM INCLUDING FROM LEFT-WING SOURCES: BUT VOGEL, BY PUBLICLY STATING HIS APPROVAL OF REAGAN'S INITIATIVE AND REFERRING TO A MORE FLEXIBLE AMERICAN STANCE, HAS NARROWED THE DIFFERENCES BETWEEN HIMSELF AND KOHL ON THE INF ISSUE.

5. KOHL SEES THE CHEQUERS MEETING AS ONE IN A SERIES WITH WESTERN LEADERS WHICH HAS ALREADY INCLUDED THOSE WITH MITTERRAND AND BUSH. HIS KEY PURPOSE IN THESE MEETINGS, APART FROM ELECTORAL CONSIDERATIONS, IS TO DEMONSTRATE WESTERN SOLIDARITY ON SECURITY MATTERS TO



~~ATIONS~~ IS TO DEMONSTRATE WESTERN SOLIDARITY ON SECURITY MATTERS TO MOSCOW AND DOMESTICALLY, AND THUS INCREASE THE PRESSURE ON THE USSR TO NEGOTIATE SERIOUSLY ON INF AFTER THE FEDERAL ELECTION. HE WILL BE PARTICULARLY INTERESTED IN WHAT THE PRIME MINISTER HAS TO SAY ON INF. HE IS EXPECTING HER TO MAKE A STATEMENT AT THE JOINT PRESS CONFERENCE ABOUT THE EXCLUSION OF BRITISH AND FRENCH SYSTEMS, AND IS READY TO SUPPORT THIS.

6. THE FEDERAL GOVERNMENT'S INTEREST IN THE COMMUNITY IS AT PRESENT LARGELY CONFINED TO GETTING THE BEST ELECTORAL ADVANTAGE FROM THE PRESIDENCY, AS WAS DEMONSTRATED BY GENSCHER'S PERFUNCTORY PERFORMANCE AT LAST WEEK'S FOREIGN AFFAIRS COUNCIL (UKREP TELNO 352). IT IS THEREFORE UNLIKELY THAT KOHL WILL BE READY TO TALK IN GREAT DETAIL ABOUT THE ISSUES MENTIONED IN PARA 3 OF TUR, BUT EMPHASIS ON THE GERMAN PRESIDENCY IN THE BUDGET CONTEXT SHOULD HELP TO FOCUS KOHL'S ATTENTION ON OUR CONCERNS.

FCO PLEASE PASS SAVING TO ALL ADDRESSEES EXCEPT BMG BERLIN, CICC(G) AND CONSULATES-GENERAL IN THE FRG.

TAYLOR

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SENT AT 021142Z GU



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10 DOWNING STREET

*From the Private Secretary*

2 February 1983

Visit of Chancellor Kohl

We spoke on the telephone this morning about Roger Bone's letter of 1 February. I have since discussed some of the details of the programme with the German Ambassador.

I now enclose a programme which is in accordance with the Prime Minister's wishes and which appears to be entirely acceptable to the German side. Unless you see any difficulty, therefore, I hope it can be regarded as definitive.

A. J. COLES

J.E. Holmes, Esq.,  
Foreign and Commonwealth Office.

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P. Joco  
BI  
Sue Goodchild



PROGRAMME FOR THE VISIT OF CHANCELLOR KOHL: FRIDAY 4 FEBRUARY

- 1000 Chancellor Kohl and Herr Genscher arrive at RAF Benson. Met by Prime Minister and Foreign and Commonwealth Secretary. (NO Guard of Honour). Drive to Chequers.
- 1040 Tete-a-tete talks between Prime Minister and Chancellor Kohl (with notetakers and interpreter present).  
approx. Separate talks between Mr. Pym and Mr. Genscher.
- 1200 Mr. Pym and Mr. Genscher join Prime Minister and Chancellor Kohl (with notetakers and interpreter present) for talks.  
approx.
- 1245 for Working lunch attended by:  
1300
- |                   |                   |
|-------------------|-------------------|
| Prime Minister    | Chancellor        |
| Mr. Pym           | Mr. Genscher      |
| Sir Jock Taylor   | German Ambassador |
| Mr. Evans         | Mr. Teltschick    |
| Mr. Gillmore      | Mr. Grimm         |
| Private Secretary | One other         |
| + Interpreter     |                   |
- There will be a separate lunch for:
- |                         |           |
|-------------------------|-----------|
| PS to Prime Minister    | Mr. Neuer |
| PS to Foreign Secretary | 2 others  |
| ?1 other                |           |
- 1345 Coffee - preparation for press conference
- 1400 Leave for RAF Halton
- 1415-1445 Press Conference at RAF Halton
- Proceed to RAF Benson
- 1530 Chancellor Kohl and Mr. Genscher leave from RAF Benson. Foreign and Commonwealth Secretary will bid farewell.



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Foreign and Commonwealth Office

London SW1A 2AH

1 February 1983

*John T. ...*

Visit of Chancellor Kohl (and Herr Genscher)  
to Chequers on 4 February

*in attached folder.*  
/ I enclose briefs for the talks with Chancellor Kohl on Friday. Copies are being submitted in parallel to the Secretary of State this evening.

The Department of Trade are providing supplementary briefing on the outcome of today's Internal Market Council in Brussels, and also on US speciality metals (which we understand Kohl may raise).

*Yours ever*  
*R B Bone*

(R B Bone)  
Private Secretary

A J Coles Esq  
10 Downing Street

covering SECRET





VISIT OF CHANCELLOR KOHL (AND HERR GENSCHER) TO CHEQUERS  
ON 4 FEBRUARY

LIST OF BRIEFS

Steering Brief

1. Trade Brief. Commercial Policy and Protectionism (including Japan, transatlantic trade issues and the Community's internal market);
  - 1.A Spain
2. East/West Relations (including economic)
3. Arms Control and Defence (including Gromyko's visit to Bonn and Vice-President Bush's European Journey)
4. Genscher/Colombo Proposals
5. The Community Budget and agriculture (excluding Mediterranean Agriculture)
6. Enlargement
7. EC/Turkey
8. Falklands
9. Spain/NATO (including Gibraltar)
10. CSCE
11. Poland (including debt rescheduling)
12. International Economic Issues
13. Internal Political Background
14. *Internal Market Council in Brussels*
15. *vs Speciality Metals*





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VISIT BY CHANCELLOR KOHL (AND HERR GENSCHER) TO CHEQUERS  
ON 4 FEBRUARY 1983

STEERING BRIEF

Introduction

1. Dr Kohl suggested at the Bonn Summit on 29 October 1982 that he and the Prime Minister should later continue their discussions on commercial policy and the problems of protectionism. He has since agreed with the Prime Minister that the meeting on 4 February should also cover other international and Community issues.

Objectives

2. Both we and the Germans have to see the visit in the context of the run-up to the FRG elections on 6 March. Genscher's political future is especially precarious given the strong possibility that his Free Democrat Party will not get the 5% of total votes that is required for representation in the Bundestag.

3. The three main areas for concern for both sides are likely to be security and economic questions and the Community.

(a) Security, and especially the stationing of INF, is a major issue in this FRG election. Since Schmidt's departure the SPD has shifted ground on its support for NATO's 'dual-track decision'. Genscher has been making an electoral virtue out of calls for flexibility. Kohl himself has so far stuck rather single-mindedly

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to the zero-option perhaps for tactical reasons. He sees transatlantic harmony as a major priority and, unlike Schmidt, has no ambitions to act as 'interpreter' between Washington and Moscow. The Prime Minister may wish to discuss with Kohl in the light of Vice-President Bush's visit to Bonn (he is due here on 9 February) what line to take with the Americans on INF at this sensitive stage of the decision-making process in Washington, and perhaps to explore Kohl's thinking about the American negotiating tactics in relation to his imminent elections. We ourselves believe that a new initiative in the negotiations is now required to secure a balanced outcome on the way to zero. But it will be important not to give the United States the impression that the Europeans have concerted together in order to force the issue. The Prime Minister may be pressed about the timing of arrival and deployment of GLCM equipment in Britain: Genscher is anxious that nothing should be done before the German election which could give the impression of negatively prejudging the outcome of the talks in Geneva. The Prime Minister may wish to tell the Germans the outcome of recent Ministerial discussion on this point (MOD will be pursuing with the Americans at senior level in Washington on 4 February).

(b) on trade, it would be helpful if the leaders agreed to send a joint message to President Reagan warning him of the danger that the Alliance will be damaged if US trade policy is determined by protectionist forces and, in particular, if agricultural trade

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policy is determined entirely by the US Department of Agriculture and its Congressional supporters. It would be worth touching also on the question of the United States fiscal deficit. We believe the Germans share our concern. Recent US statements have done nothing to allay it. These will be an opportunity for the German Finance Minister and the UK Chancellor to pursue this in Washington next week. The Prime Minister and Dr Kohl might also agree to act in concert to come to an understanding with the French whereby, in return for German and UK agreement to tighter Community procedures for dealing with imports and German agreement to a tougher line on Japan, France should agree to the removal of barriers to trade within the Community. Thirdly, it would be helpful if Chancellor Kohl could be persuaded to make a sympathetic public statement after the meeting about UK problems with Spain.

(c) Chancellor Kohl faces an election next month - the British Budget problem is the least of his worries. The Prime Minister cannot expect him to be very well briefed or very interested. But he suggested the meeting and he wants it to be a success. The Prime Minister should therefore exploit the opportunity to get him to acknowledge the validity of the following three simple points:-

- (i) the British Government has an overriding need to secure a credible solution to the Budget problem before the end of the German Presidency;
- (ii) if the Germans stick to their line that they will pay only twenty-five per cent of their normal share of the cost of any future refunds, they will prevent all hope of agreement and precipitate a crisis during their Presidency;

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(iii) the argument of the previous German government that Germany 'only has a budget problem because of UK refunds', and not because Germany's total net contribution is too large, can only be construed in this country as hostile to the United Kingdom.

#### Strategy and Tactics

4. Kohl and Genscher will see the 4 February meeting as useful to them in electoral terms. The Prime Minister might invite Kohl to talk first about the German elections and speak herself about the political scene in Britain. The two Heads of Government could then review East/West and transatlantic relations in the context of the visit of Vice-President Bush. The Prime Minister might also invite Dr Kohl to give an account of the French position: he and Mitterrand exchanged visits on 20/21 January to celebrate the 20th anniversary of the Elysée Treaty, and Mitterrand's call for resolute Western defence policies seems both to have made a profound impression in Germany and to have helped the CDU. The Prime Minister might then invite Dr Kohl to explain his views on commercial policy and protectionism, which he had originally proposed as subjects for the meeting.

5. In parallel talks, with officials present, Mr Pym and Herr Genscher might aim to cover in more detail East/West political economic relations, transatlantic relations and defence policy. Herr Genscher may want to speak about his visit to Washington on 25/26 January. Depending on the time available, the two Foreign Ministers may join the Prime Minister and Kohl before lunch.

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6. At lunch, with officials present, some account could be given of the main ground covered during the morning. The Prime Minister and Mr Pym could thank Dr Kohl and Herr Genscher for their help in resolving the long standing Fisheries problem. Detailed discussion could then take place of commercial policy, protectionism and the internal market of the Community, followed as necessary by arms control and defence, before moving on to other Community issues, including the Budget, CAP, enlargement and the Genscher/Colombo proposals. The Germans have suggested departure from Chequers at 1400 immediately after lunch.

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Brief No 1

VISIT OF CHANCELLOR KOHL : 4 FEBRUARY

TRADE BRIEF

OBJECTIVES

It will be in our interests to persuade Chancellor Kohl that:

- (i) The UK is the FRG's prime partner in trade policy matters given the weight we both carry and the fact that we are both fully committed to the maintenance of the opening trading system.
- (ii) The UK and FRG should act together in particular to restore a healthy relationship between the EC and the US; the leaders could for example agree to send a joint message to President Reagan urging the US to avoid provocative protectionist policies eg. in agriculture, and to moderate US claims to apply political export controls to companies in Europe.
- (iii) While the UK fully supports the FRG in pressing for French agreement to improvements in the internal market, the FRG should in turn agree to go some way to meet French demands for tightening up Community procedures for dealing with difficulties which arise in trade relations with countries outside the Community (particularly in relation to disruptive or unfair exporting practices) and some way to meet the UK on services.
- (iv) The FRG should recognise that Japan is putting an unacceptable strain on the open trading system and continuing pressure, particularly at the February Foreign Affairs Council, is needed to add momentum to the moves Japan is starting to make.

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LINE TO TAKE  
PROTECTIONISM

Remains a grave threat. Both UK and FRG fully committed to open trading system. May differ on individual items, but can work well together, and should continue to do so. UK is not protectionist. Emphasis of policy is on more free trade. But cannot ignore certain specific problems and domestic sensitivity they create. Therefore attach great importances to EC policy towards Japan and Spain.

EC/US RELATIONS

General

Management of EC/US trade relations will be difficult in 1983. Protectionist pressure is high in Congress, and Administration cannot conceal completely extent to which GATT Ministerial Meeting fell short of its expectations. Will need careful handling.

Most sensitive area is agriculture. EC must neither provoke (by high price fixing) nor be provoked (by US aggressive marketing), and resist any French inclination to have a row with Americans. What is required is a measure of restraint on both sides in export sales in particular.

UK and FRG should cooperate to reduce tensions. Happy to explore scope for joint move eg. possible message to President Reagan urging resistance to protectionism, and touching on such difficulties as extraterritoriality.

Extra-territoriality

Pipeline dispute politically disruptive and economically damaging. UK attaches great importance to satisfactory resolution of the general problem. We have had exploratory talks at official level with the American Administration. But important that US perceives problem as one shared by European partners. Hope FRG can themselves raise issue with US. Would greatly enhance prospects for progress.





#### JAPAN

Must recognise that Japan is putting unacceptable strain on open trading system. Japanese measures and Prime Minister Nakasone's statement are welcome, but do not solve problem. For example, some large capital purchases by Japan would help. Continuing pressure necessary to maintain momentum to existing Japanese response: including setting up of a working party under Article XXIII(2) of the GATT. Hope very much Germany can accept positive line at February Foreign Affairs Council. Vital EC should not falter now.

#### COMMON COMMERCIAL POLICY

French link progress on internal market with progress on their proposals for strengthening Common Commercial Policy. These latter stem from understandable concern at operation of present policy. EC has sometimes been slow to respond.

UK is similarly disappointed, but any new instrument would most likely suffer from the same handicaps.

UK would be reluctant to see nothing result from French initiative. But for EC to institute S 301 type procedure would be wrong signal to a more protectionist Congress in US. Preference is for improved operation of existing mechanisms. UK/FRG agreement on this would promote satisfactory solution and might offer French sufficient to secure the removal of their block on moves to open up the internal market.

#### INTERNAL MARKET

Welcome emphasis of German Presidency on internal market (and close collaboration between our two delegations and progress made at the Internal Market Council on 1 February). We also attach special importance to work on services. We are anxious to see acceleration of work towards a genuinely liberal directive on non-life insurance services and welcome the German effort at the start of their presidency to overcome our differences of approach on approval and notification of policy conditions. Hope that agreement on this important measure to free the movement of insurance services will be reached as soon as possible. Important also to make progress on liberalising air transport.





## ESSENTIAL FACTS

Protectionism

The FRG attitude to trade policy tends to be more self-consciously liberal than that of the UK. They are worried by the growth of protectionism and lead the resistance in the EC to measures which could restrict trade. The UK is generally in the middle ground between the FRG on one hand and the French and Italians on the other.

It will be important to reassure Chancellor Kohl that the UK is not turning protectionist. What we want is German acceptance of the existence of certain trade problems and support in dealing with them. So far they have cooperated reluctantly in the EC's policy on Japan. We need to encourage them to see it through. And also support British efforts to open up the Spanish market. Chancellor Kohl should be reminded that the emphasis of the UK's policy is on more free trade and better access to markets, not on restriction and control.

## EC/JAPAN

December's Foreign Affairs Council (FAC) agreed the following strategy on Japan, though its implementation remains for discussion at the February FAC.

- (i) To seek a move to a working party of GATT contracting parties under the second stage of GATT Article XXIII case.
- (ii) To seek 'clearly defined and effective moderation of sensitive exports. Commission representative visit Tokyo in mid-February for a further round of discussions on export restraint for VTRs and colour television tubes and more generally assurance on a range of other sensitive products.





The Japanese Government have responded with a package of import liberalisation measures conceding 15 tariff cuts of interest to the EC (notably confectionery, biscuits and cigarettes) and a number of non-tariff barrier improvements. These include a high level review of standards and certification procedures, accelerated liberalisation of the tobacco distribution system, and relaxation of import requirements for pharmaceuticals, cosmetics and other items (covering total UK trade of some £30m last year). The package addresses a number of areas of EC/US discontent but others, such as quotas on leather goods and, more widely, restrictions on foreign financial services and investment in Japan, are omitted. The latest package was accompanied by a useful statement from Mr Nakasone stressing the need for Japan to increase manufactured imports and avoid excessive concentration of exports.

Moderation of Japanese exports to FRG last year in total and in some sensitive sectors (eg cars) has strengthened the FRG's traditional anti-protectionist stance. (According to Japanese figures, FRG deficit in 1982 was \$2.7 billion, UK \$2.6 billion, EC \$9.5 billion). Discussions with the Japanese Foreign Minister, Mr Abe, earlier this month apparently focused exclusively on the opening of the Japanese market. Nevertheless, FRG emphasised their support for a united Community approach. Japanese exports of cars to FRG in 1982 were 9.8% of the market (down from 10% in 1981).

EC/US

Rise of Protectionist Pressures in US

The new Congress (assembled on 24 January) is likely to be much more protectionist minded than its predecessor. As deep recession and high unemployment continue, and given the wide perception in the US that GATT Ministerial Meeting failed to solve the world's trade problems, the pressures in Congress to protect US exports and jobs, and enforce US





trade rights against 'unfair' foreign practices will continue to grow. The main US problem is industrial trade with Japan, but the EC/US agriculture dispute is potentially very damaging, and there was a major row last year over steel exports. Protectionist Bills before Congress include 'Reciprocity' (the Danforth/Frenzel Bill), which will give the President greater negotiating authority to enforce US trade rights, and the Ottinger Bill on local content in automobiles.

The Community should, in its own interest, work with the Administration to reduce friction in EC/US relations so that these pressures may be successfully resisted.

#### Extraterritoriality

Extraterritorial (ETT) application of US law in commercial matters has long been a bone of contention between the UK and US. Pipeline affair involving US export controls in support of foreign policy objectives and their unilateral application to British and other European companies, dramatic illustration of problem.

The UK have so far been alone among the Community trying to take matters forward. But we know from official talks with the Germans that they share our views, and it would help greatly if they could add their voice to ours. A wider European approval will be helpful to progress with the US. Count Lambsdorf is believed to be willing to raise the question in Washington.

#### Common Commercial Policy

Last spring the French launched a set of proposals for strengthening the Common Commercial Policy. The most contentious of these is that the EC should have a new instrument akin to S 310 of the US Trade Act, which in the US is used to harass exporters regardless of whether GATT





rights were being infringed. The purpose of this innovation would be to give the EC more muscle in an unfair world.

The proposals have been extensively discussed at working level and while Member States can go along with measures to improve use of surveillance, there are divisions on the question of a new S 301 type instrument.

The Commission have been asked to produce proposals and will be doing so at a leisurely pace. They are unlikely to satisfy the French. But the Commission sensibly point out that what is currently wrong is not the mechanism for Community policy, but the speed, or lack of it, with which Member States reach decisions on what should be done. The real need is for an improved decision making procedure.

The Germans have been consistently reluctant to go along with the proposal for a new instrument. They see it as protectionist and unnecessary. We should like to enlist their support for improved decision making procedures, which are not evidently protectionist and improve the working of the Community. We want the Community to be able to respond firmly, within its GATT rights, to any trade problems which arise, but we do not want to exacerbate protectionist tendencies particularly in the US. The problem needs delicate handling, not least because the french are linking progress in moves to open up the internal market (to which both we and the Germans attach importance) with progress on Common Commercial Policy.

#### THE INTERNAL MARKET

Following the Copenhagen Summit's December remit, a special session of the General Affairs Council, devoted solely to Internal Market matters, is being held on 1 February.





This session will concentrate on the three issues endorsed as priorities by the Copenhagen Summit (ie unblocking the Article 100 harmonisation programme through a procedure to deal with certification of products of third country origin, procedures to improve transparency in technical standards and regulation making, and frontier facilitation). The German Presidency will also seek to establish procedural arrangements for linking into the work of this Council other issues relevant to the Internal Market but currently being dealt with by other Community bodies. A further session of this Council is likely to be held in March to prepare a progress report for the next European Council. The UK is being represented by the Minister for Trade. The Germans attach priority to improving the Internal Market (in goods if not in services). They wish to use their Presidency to establish a sustained impetus which will carry through not only the Greek, but also the French and Irish Presidencies. They are not however the most imaginative when it comes to tackling the broader political realities or in devising constructive possibilities.

The UK's main priorities, as far as Internal Market work during the German Presidency is concerned, are to secure progress on services (including transport) and to increase transparency in Member States' procedures. An updated progress report will be supplied in the light of the 12 February meeting.

The non-life insurance services directive is of particular interest to the UK. This is designed to facilitate cross-frontier insurance of large industrial, commercial and professional (ICP) risks. It was first proposed by the Commission





in 1975 but is still a long way from being agreed. Our insurance industry would gain considerably from a real liberalisation of services. It would enable them to cover EC risks without being subject to the much more onerous regimes operated by most other Member States. The Germans have taken the lead in insisting on elaborate controls of policy conditions, which we consider unnecessary in respect of ICP risks. But we now think the Germans are considering a more flexible position on the control of CIP policy conditions. The German and British insurance industries are discussing the issue in parallel. Progress on liberalising air services, air tariffs and competition in air transport has been disappointingly slow in spite of strong UK commitment. December transport council again failed to reach agreement on a Regional Services Directive. The Germans have been among a majority of member states reluctant to accept change, but bilateral contacts suggest that the new government may prove somewhat more flexible.

Department of Trade  
27 January 1983





VISIT OF CHANCELLOR KOHL: 4 FEBRUARY 1983  
SPAIN (1970 AGREEMENT)

Objective

To persuade Kohl to speak sympathetically at his press conference of the UK's objective of securing an immediate improvement in the imbalance of trading conditions between the Community and Spain.

Line to take

1. Spain, a candidate for Community membership, is a worrying example of outdated and damaging protectionism on our own doorstep. Meanwhile she pursues a complex and doubtfully legitimate export policy. This is seriously undermining support in the UK for the open trading system and faith in the Community. Spain must be brought by the Community to play her part in sustaining that system.
2. (If necessary) We cannot wait for Enlargement - though we support it. We do not suggest renegotiating the 1970 Agreement. We want Spain to observe the Agreement properly but also, above all, to make some further unilateral cuts in the now quite unnecessarily high tariff which its long outdated provisions permit her.
3. (If appropriate) We are not looking for restraints on Spanish trade, but we could be forced to this if we are not able to export on fair terms to Spain. Investment in Spain is no substitute, particularly in the short term.
4. Hope that, as an opponent of protectionism, you can before you leave London express public sympathy with our objective.





### Background

1. There are two facets to the problem: the large tariff imbalance (legal, but now anomalous) particularly for cars (contrast Spain's 36.7% duty with the Community's 4.2%); and Spain's breaches of the 1970 Agreement, most notably fiscal manipulation in favour of domestic production, poor quota administration and specific discrimination against imports of tobacco and whisky.
2. Since being given a Community mandate at the December Foreign Affairs Council (largely as a result of UK pressure), the Commission has held three discussions with Spain about aspects of the problem, but concentrating on the breaches of the 1970 Agreement. At the invitation of the Spanish Foreign Minister, Sr Moran, senior UK officials have also held parallel, but unpublicised, talks in Madrid. (The Commission has been kept fully informed.) These are to be resumed shortly, after allowing Spain time to consider her response to a number of proposals which would improve access for UK exports. The Commission will probably also hold further talks before the February Council.
3. The Germans have so far shown no interest. They probably regard our concern as exaggerated, our problems as due to our own weakness, and our objectives as unrealistic. Germany has a large visible trade surplus with Spain (£430mn in 1981) and some investment there that might be damaged by tariff cuts (eg. VW in the Spanish public car company Seat). Moreover she wishes to avoid antagonising Spain so as to strengthen her political influence there. [There has been no serious discussion to date about our ideas floated last autumn for faster tariff abolition post accession on those products where Spain is demonstrably export competitive (see brief No. ).]
4. Anglo-Spanish visible trade (though not of course tourism) is approximately in balance. Unlike France vis-a-vis Germany (or Japan), we are seeking a fair balance of opportunity for trade, not a more even balance of trade itself.

Department of Trade  
January 1983





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VISIT OF CHANCELLOR KOHL (AND HERR GENSCHER) TO CHEQUERS  
ON 4 FEBRUARY

EAST/WEST RELATIONS (INCLUDING ECONOMIC)

Points to Make

East/West Political

1. Impressions of Gromyko's visit to Bonn?
2. Andropov has developed a subtle style; impressive timing. Foremost (and transparent objective) to undermine 'double decision' and outflank governments by appeals to public opinion.
3. West must present its case clearly and firmly. Essential to keep focus of attention on Soviet actions, not words. But must also think through our political options and be prepared to take advantage of any openings or genuine moves.
4. Bush visit a valuable opportunity to assess direction of White House thinking.

East/West Economic Relations

5. Germany has unique role as major East/West partner and Presidency. Most grateful for your decisive impetus to Community aspects of follow-up work. Must get Commission paper to OECD quickly.

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6. Glad studies going ahead even though difficulties with some (eg Other High Technology). In our interests to work with Americans: influence US thinking and improve transatlantic harmony.
7. [Defensive, if appropriate] First step in studies must be analysis. Policy considerations can come later. Have not yet considered how these should be undertaken, though individual national inputs necessary. What are your ideas?
8. [Defensive, if appropriate] Open mind on question of Community coordinating role, but Community must not restrict or slow down work.

Extraterritoriality

9. Fundamental issue highlighted by pipeline dispute was US claim to extraterritorial jurisdiction in trade matters. This is damaging to economic and political interests of US and allies, and invalid in international law.
10. British officials discussed problem in Washington. Outcome disappointing. Little evidence of US readiness to change policies. Intend to underline our concern during visit of Vice-President Bush next week.
11. Do not wish to discuss in detail now. Simply wanted to register that we take this very seriously and we value support from our partners. We had already had bilateral discussions at official level with FRG and Canada before talks in Washington. Believe that

/Count Lambsdorff

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Count Lambsdorff may well raise this issue when he visits Washington.

Essential Facts

Gromyko's Visit to Bonn (16-19 January)

1. Gromyko kept accent on INF in discussions with Genscher and in public statements. Also spoke of interest in Soviet/US Summit, accusing Americans of reacting negatively; and of prospects for increased Soviet/FRG cooperation. In comments (public and private) on internal scene, signalled support for SPD if it chose good relations and friendship. Genscher accepted invitation to Moscow.

East/West Political

2. Andropov has not yet introduced any real change into the direction of Soviet foreign policy. No evidence of genuine flexibility on Afghanistan, Poland or Eastern Europe generally.
3. He has nevertheless adopted a presentationally new (and superficially non-confrontational) note in his first major foreign policy speeches. In his Central Committee speech of 22 November he emphasised the Soviet commitment to détente (on Soviet terms), while stressing that there could be no question of making improved relations with the West conditional on concessions by the Soviet Union. In his 21 December Supreme Soviet speech, almost half of which was devoted to foreign policy, the emphasis was on 'peace'. There was a strong element of trying to appeal to Western, particularly

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European, public opinion over the head of Western European Governments, notably on the INF proposal (see brief no 3). The same was true of the Warsaw Pact Summit declaration (see brief no 3).

4. There has been close consultation within the Ten and NATO about relations with the new Soviet leadership. Western unity on the main issues has remained firm, but there have been some moves to explore whether there is any underlying willingness on Andropov's part to take more account of Western concerns. During Gromyko's visit, Genscher agreed that a senior German official, Ambassador Ruth, should visit Moscow in February to discuss arms control issues. Cheysson will be visiting Moscow on 18-19 February, and Mitterrand took the initiative of holding a meeting with Soviet Deputy Prime Minister Yuri Marchuk, leader of the Soviet delegation to the Franco-Soviet Grande Commission, in Paris (12-13 January).

#### East/West Economic

5. Commission paper forming basis of Community follow-up action and covering export credit policy, energy policy, trade in agricultural products and technology items, was circulated in Coreper on 20 January. Council on Monday 24 January did not consider it, but in later Corepers German Presidency emphasised urgency of feeding Community contribution into OECD discussions, and need for Community mandate (eg on Energy study) to be drawn up where necessary.

6. Germans as Presidency favour overall coordinating role for Community in follow-up work. In UK view, this would have little

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effect on work in NATO and COCOM but might allow Community decisions (taken at Foreign Affairs Council or Coreper) to inhibit our freedom of action in OECD once studies underway. But we should be free to argue as the facts and our interests warrant in the OECD studies. We should therefore retain a clear distinction between the three areas of work:

- i) Where Community Competence exists, the Commission should speak and the member states should act in support (eg Export Credit Consensus);
- ii) Where a substantial Community interest exists, the Commission should be present at the meetings, and speaking, as well as the member states (eg Energy study, OECD reports);
- iii) Where there is no real Community interest (eg NATO Security Aspects Study, COCOM).

7. Some EC nations (not Germans) have asked whether and when policy conclusions would be drawn from the studies, and by whom? On whom would they be binding? As Presidency, Germans feel obliged to discuss such questions. Our view is that consideration of these points should wait until completion of the studies, but that initial assessments should be made nationally.

#### Extraterritoriality

8. The extraterritorial application of US law in commercial matters has long been a bone of contention between the UK and the US. The pipeline affair illustrated a particularly worrying aspect of

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this practice: the use of export controls in support of foreign policy objectives and their application to overseas subsidiaries of US companies. This involved recourse to powers under the US Export Administration Act which comes up for renewal this September. The UK aim is to secure amendments to this Act to limit its extraterritorial effects.

9. At the time of the settlement of the pipeline episode last November, it was agreed in the margins of discussions on East/West economic relations that the Americans and other western nations would hold urgent talks on extraterritoriality. There is no explicit link with work on East/West relations. The UK have been alone in pressing for matters to be taken forward. Bilateral talks with the Americans took place in Washington on 19/21 January. The outcome was disappointing.

10. The talks in Washington were preceded by discussions with the Canadians on 18 January and the Germans on 11 January. The Germans are in broad agreement with our views. On 11 January the Germans said that Count Lambsdorff (Economics Minister) would be prepared to raise the question of extraterritoriality in Washington.

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BRIEF NO 3

VISIT OF CHANCELLOR KOHL AND HERR GENSCHER TO CHEQUERS ON  
4 FEBRUARY 1983

ARMS CONTROL AND DEFENCE

Points to Make

INF

1. Remain firm on both tracks of 1979 decision despite vociferous opposition. First cruise missiles will be deployed at Greenham Common by end of 1983 in absence of agreement on zero option. But we are telling Americans we do not want heavy equipment arriving in UK until November. This should also meet German concerns.
2. Need to re-establish principle of NATO flexibility in negotiations. Hence now talking of need to negotiate balance, if zero option unobtainable. Grateful for account of Chancellor's discussions on this with Vice-President Bush. Chancellor's views on timing of a new initiative in Western negotiating position? Why wait until 6 March?
3. Subject to German views, we shall urge on Bush flexibility in negotiations, and need for new initiative soon. Any such modified Western position must maintain basic Alliance principles of - equal ceilings on <sup>warheads</sup> ~~missiles~~ for US and Soviet Union, exclusion of French and British systems, global approach and zero option as ultimate goal. But need to avoid appearance of Europeans ganging up in public on Americans.

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4. Gromyko in Bonn on 21 January? Anything of substance beyond Andropov 21 December speech?

CHEMICAL WEAPONS (CW)

5. West should seize initiative and press for a fully verifiable and comprehensive ban on CW, tackling verification problems first. Glad to see US views becoming more flexible.

Essential Facts

INF

1. The Germans do not want Cruise missile, or Pershing II equipment to arrive in Europe before September. They fear that NATO will appear to be pre-judging the INF negotiations. Herr Genscher has been in contact with Mr Pym who has replied that we were still considering the possibilities, We have made it clear that the factors in Britain are rather different from those in the FRG. Nevertheless Ministers have now decided in favour of equipment arriving in UK no earlier than November and senior MOD officials will be pursuing this with the Americans in Washington on 4 February - the day of the Kohl talks in London. It would therefore make sense to set German anxieties at rest on this score.





2. Chancellor Kohl has so far remained firm in support of the zero option as the only NATO negotiating position for the present, although both Herr Genscher and Herr Strauss, for different reasons, have publicly promoted the idea of negotiating towards agreement on a reduced number of missiles on each side. For tactical/electoral reasons. Chancellor Kohl may believe that NATO should not modify its position before the German election on 6 March. If so, it would be useful to have a full account of his thinking on this point. His opinion will have an important effect on American views on the timing of any new initiative.

3. Vice-President Bush is coming to Europe primarily to listen to European views. He should take broadly the same message from each capital - in the run-up to first deployments of INF European governments need to point to visible signs of US flexibility and seriousness in the Geneva negotiations and, in particular, to answer critics who say that NATO is offering the zero option on a 'take it or leave it' basis.

#### Chemical Weapons

4. New round of negotiations began on 1 February under new (Canadian) chairmanship. Americans have told us (and Germans) that they will table a major paper in response to Soviet paper tabled last summer. (This may be announced by Vice President Bush

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in Europe this week). Germans have long pressed for Western initiative because of popular concern about CW stationed in FRG and spin-off for INF stationing. We agree, and are pleased Americans are overcoming their reservations about negotiations. But verification will be difficult and cannot be ducked.

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VISIT OF CHANCELLOR KOHL (AND HERR GENSCHER) TO CHEQUERS  
ON 4 FEBRUARY

GENSCHER/COLOMBO PROPOSALS

Points to Make [If Raised]

1. Will support early adoption of final text subject to the outstanding points being satisfactorily resolved.

[If there is discussion of the outstanding points]

(i) Title

Prefer a title other than 'Act' which denotes legislation. Understand others also have difficulty. Prefer 'Declaration'.

(ii) Majority Voting

Understand the German Presidency will be circulating a new text. Will examine carefully. Calls for increased majority voting must be balanced by reference to Member State's ability to have a decision deferred where it considers its important interests to be involved.

(iii) The European Parliament

Understand Presidency have proposed a new text. Dislike provision for Parliament to have a 'confidence' debate on the Commission's programme. Programme does not require the Parliament's endorsement, which has no force without Council agreement. 'Confidence' is misleading.

/(iv)





(iv) Provisions for a Review

We cannot accept a commitment to a future Treaty on European Union, but no objection to a review after five years.

(v) A Common Foreign Policy

Understand the French and Danes have difficulty with the concept of a 'common foreign policy'. We can accept it as an ultimate objective. Term has been used before.

Essential Facts

1. The German Presidency have made clear that they would like to see early adoption of a final text, though they have not yet decided whether to aim for the March or June European Council.

2. A meeting of the ad hoc Group of Officials took place on 26 January and another meeting is due to be held on 7/8 February. The Germans envisage that this will be the final meeting of the Group and that any points still outstanding should be referred to Ministers. The main outstanding points are:

(i) The Title

We cannot accept 'Act' and have argued for 'Declaration'. The Presidency's latest proposal is a two-line heading, 'European Act' on top and 'Declaration on European Union' below.

(ii) Majority voting

Our position is that any exhortation to increased majority voting must be balanced by a reference to a Member State's ability to have





a majority decision deferred where it considers its important interests to be involved. The Presidency have said they will circulate some compromise language.

(iii) The European Parliament

The text on the European Parliament has been much watered down from earlier versions, and the only point on which we now have a reserve is the provision for the Parliament to hold a 'confidence' debate on the Commission's programme.

(iv) The European Community Section

We have a reserve on the section on the CAP, where we should like to see a reference, originally proposed by the Germans, that the rate of increase in CAP expenditure should be less than the rate of increase in own resources. At the last ad hoc Group meeting, the Presidency proposed deleting this, but including a new sentence on Mediterranean agriculture, which we could not accept. We also have a reserve on the paragraph on 'own resources' but the Presidency have proposed deleting this from the text.

(v) A Common Foreign Policy

The French and the Danes have objected to the reference (in paragraph 1.4.2 and 3.2) to a common foreign policy. We can accept this as an ultimate objective, and it has already been implicitly accepted in earlier Community texts such as the 'European Identity' document of 1973.





(vi) The Provisions for a Review

We are unable to accept a commitment on a future Treaty on European Union. The Presidency are planning to circulate a compromise text, saying that Member States will after 5 years consider the possibility/desirability of proceeding to a new Treaty. We could think about this.





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VISIT OF CHANCELLOR KOHL (AND HERR GENSCHER) TO CHEQUERS  
ON 4 FEBRUARY

THE COMMUNITY BUDGET AND AGRICULTURE (EXCLUDING MEDITERRANEAN  
AGRICULTURE)

Objectives

1. Chancellor Kohl faces an election next month - the British Budget problem is the least of his worries. The Prime Minister cannot expect him to be very well briefed or very interested. But he suggested the meeting and he wants it to be a success. The Prime Minister should therefore exploit the opportunity to get him to acknowledge the validity of the following three simple points:-
  - (i) the British Government has an overriding need to secure a credible solution to the Budget problem before the end of the German Presidency;
  - (ii) if the Germans stick to their line that they will pay only twenty-five per cent of their normal share of the cost of any future refunds they will prevent all hope of agreement and precipitate a crisis during their Presidency;
  - (iii) the argument of the previous German Government that they 'only have a Budget problem because of UK refunds' and not because Germany's total net contribution is too large can only be construed in this country as hostile to the United Kingdom.

Points to Make

2. As well as protectionism, there is another very real problem.





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which if left unsolved would represent a major danger to the future and well-being of the Community - the defects of its financial system. The problem has two aspects, - first, the imbalance of budgetary burdens among the Member States and second, the need for proper financial control over CAP expenditure.

3. On burden sharing, agree with Herr Genscher that the Community needs a fairer division of financial burdens among the Member States. Our two countries currently bear the full burden. Feel strongly that Britain's net contribution of some DM 4 billion cannot be fair for a country below the Community average GDP per head.

4. The Community gave a commitment that it would deal with the problem we face for 1983 and later, by November 1982. The Community agreed in 1980 and again last year that the UK's burden was excessive and that it should be corrected. The Community must live up to its commitments. Its own deadline has passed. Glad that the German Government has said that this subject is one of the priorities for its Presidency.

5. A key element in doing so is going to be your own national position. I do not believe that the Community can reach agreement if the German Government continues to maintain that it will only contribute 25% of its normal share of the cost of future compensation for the United Kingdom. We have seen the problems which the 50% abatement of the German contribution to the UK's 1982 compensation has already caused. I hope therefore that you will reconsider

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your position. Failure to reach agreement would be bound to precipitate a major crisis during your Presidency. We really must avoid this.

6. Moreover, I must confess that I do not understand the logic behind the German position. The previous German Government used to tell us that Germany only had a budget problem because of UK refunds, and not because Germany's total burden was too large. The German Government has always been willing to pay its full share towards all agreed Community policies through the own resources system. I really do find it strange that Germany should make an exception in this one area. It really is very hard to explain to critics in this country that your position is not in some way directed against us.

7. I do hope that you will reflect on this.

#### Other Points

8. For the longer term, I hope that we can work closely together to achieve a lasting Community solution. Such a solution must be one of the key objectives of any review of the financial system. There are various ways in which this can be done, eg, through a fiscal equalisation system which placed limits on net contributions, or a new form of CAP financing. Our officials should get together to discuss these ideas.

9. As the only two net contributors to the Community budget, crucial that our two countries should work together on this. If we do not press for sensible financial reforms, we cannot expect the other

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Member States to do so.

10. On financial control, we both agree that too much money is spent on disposing of uneconomic agricultural surpluses. We must stick by the principle that CAP expenditure should grow at a markedly slower rate than the own resources base. Prospects this year give cause for alarm; that principle will be breached, and supplementary budget required. Commission's latest price proposals much too generous - will only exacerbate problem of surpluses. This price-fixing must start the process of getting CAP expenditure under control. Community must also demonstrate to Americans over next few weeks genuine readiness to tackle CAP problems if agricultural trade war is to be averted.

11. On own resources, we, like you, believe that the present own resources will be sufficient even after enlargement; as I have said, the real need is rather to control the growth of CAP expenditure.

12. On 1982 refunds, know the problems you have had with your own MEPs, but hope you will contribute both nationally and as Presidency to do all you can to get 1983 Supplementary Budget through.

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VISIT OF CHANCELLOR KOHL (AND HERR GENSCHER) TO CHEQUERS ON  
4 FEBRUARY

ENLARGEMENT

Points to Make

1. German Presidency is key period in accession negotiations. Following Greek and French Presidencies each have special interests. Both Spaniards and Portuguese need evidence that the Community is capable of overcoming the obstacles to progress. We will support German aim of making progress.

Mediterranean Agriculture

2. Most important step would be to complete the reform of the Mediterranean agricultural regimes. But this must be done on satisfactory terms which do not lead to undue increase in costs or creation of surpluses. Will not be easy to get French and Italian agreement - how do Germans plan to get around this? Glad Germans are keeping up the pressure and welcome special Agriculture Council in March.

Link Between Own Resources and Enlargement

3. French link between own resources and enlargement is gaining ground. Apart from UK and FRG, most of Community seem prepared to accept that Mediterranean producers will have to be bought off - presumably on assumption (quite mistaken where UK is concerned) that

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UK and FRG will pay most of the bill.


4. Must discuss urgently the Commission's paper on own resources and reform of the financial system. French objective if agreement on new own resources as a precondition to accession must be resisted. Link is artificial and unjustified. Must make it plain to our partners that problems cannot be solved by throwing British and German money at them. We need to focus attention on the real cause of pressure on own resources - the growth of CAP expenditure.

Industrial Tariff Transitional Period

5. On Spanish accession there must be a rapid reduction and early elimination of the high protection afforded under the EC/Spain 1970 Agreement to all Spanish industries, particularly sensitive industries like cars which have since become highly competitive and export oriented. Hope Germans agree that this should take no longer than three years in such sensitive sectors, even if the general transitional period for industrial tariffs is extended beyond the three years now on offer by the Community.

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Essential Facts

1. The December European Council conclusions sought to give a signal of encouragement to Spain and Portugal (although it was not seen as such in either capital) and also set a timetable of end February for concluding the work on the reform of the Mediterranean agricultural regimes (which is unlikely to be met).

German Presidency

2. The German Presidency is a particularly important one in the current accession negotiations, since it will be followed by the first Greek Presidency (unlikely to be particularly effective or impartial), and then the French, whose special interests will be even more inimical to progress. The French have set major preconditions to enlargement: a prior increase in own resources, a heavy price in terms of support for their Mediterranean agricultural producers, and agreement within the EC on arrangements for its Mediterranean Associates (who would be damaged as much by French insistence on greater protection for EC Mediterranean agriculture as by new competition for EC markets from Spain and Portugal). So far the Germans have themselves only modest targets in the accession negotiations and they are only now starting to put on the pressure on the Mediterranean regimes. It will be a considerable achievement to meet the deadline of the next European Council laid down by the last European Council for decisions on the reform of the Mediterranean regimes (particularly olive oil) but it is not impossible if the Germans put the squeeze on. The

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uncertain German performance is no doubt in large part because of Ministers' preoccupation with the impending election. It may however also be because they increasingly see the French pre-conditions as an immovable object and there are signs in the German Government (certainly Genscher and possibly even Kohl) of a feeling that the French opposition will have to be bought off.

Industrial Tariff Transitional Period

3. In her letter to Thorn, the Prime Minister stressed the importance of a short Spanish industrial tariff transitional period. The Community has proposed three years. The Spaniards argue for close to ten years. We have subsequently told our EC partners that, even if the EC goes beyond 3 years (as it probably must; the UK have five), tariffs on cars and other products in which Spain has become internationally competitive must come down sharply and be eliminated within three years.

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VISIT OF CHANCELLOR KOHL (AND HERR GENSCHER) TO CHEQUERS ON  
4 FEBRUARY

EC/TURKEY

Points to Make (if raised)

Aid

1. Western interests will be jeopardized if Community continues to block Aid. Will do all we can to support Germans over this.

Free movement of Labour

2. Sympathise with German concerns. Commission should produce proposals before negotiations with the Turks in June.

Turkish application to join Community

3. Full membership in foreseeable future, is not in interests of anybody. In the absence of progress on aid, Turks may see an application as a way of putting the Community on the spot. Hope they can be discouraged. Application could only lead to a rebuff. We will do what we can.

Essential Facts

EC/Turkey relations

1. These are at a low ebb. Greece, Denmark, the Netherlands and France have blocked EC aid because of political developments in

/Turkey

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Turkey. The Turks have other grievances. Their preferential trade advantages under the 1963 EC/Turkey Agreements have been eroded. They particularly resent EC restrictions on their textiles and clothing exports (Turkey's only internationally competitive industry (they claim especially preferential treatment because their Association Agreement envisages eventual full membership). But Turkey has imposed an illegal duty of 15% on Community iron and steel products.

Germany/Turkey

2. The Germans have a traditionally close relationship with Turkey. They have made the improvement of EC-Turkey relations, and in particular restoration of all EC aid, a priority for their Presidency. They may also press for concessions to Turkey on textiles.

3. They hope resumption of aid will help them with their 1.5 million Turkish guest workers. The EC has a commitment to allow complete free movement of labour to Turkey in 1986. Commission proposals for negotiation with Turkey for the period 1983-86 are expected soon. The problem has become less acute for the Germans since Genscher received informal bilateral assurances from Evren at the end of last year which they regard as satisfactory. The Germans will however still want the EC-Turkey problem resolved in a way which does not prejudice her position.

4. The UK has consistently supported the unblocking of EC aid. We want to help the Germans over guest workers, but without prejudicing our bilateral interests (eg over textiles).

5. The Turks told Lord Belstead on 14 January that Turkey would apply to join the Community in 1984 (ie after an elected government

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was in office). Given Turkey's extreme economic backwardness, membership in the foreseeable future is not on. The Community would prefer to deflect an application than to rebuff it.

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VISIT OF CHANCELLOR KOHL (AND HERR GENSCHER) TO CHEQUERS  
ON 4 FEBRUARY

FALKLANDS

Points to Make

1. No question of negotiating with Argentina on sovereignty as if nothing had happened and in view of what is happening. Grateful to the Germans for their reaction to our approach regarding possible further Argentine aggression.

Arms for Argentina

2. We continue to be concerned about arms sales to Argentina, particularly in view of the recent bellicose statements from Argentina (at variance with her conciliatory line in public international fora and their continuing refusal to accept any final cessation of hostilities.) Important to avoid any acts or gestures which might encourage the regime.

German Warships

3. Understand legal difficulties which German government believe prevent them from blocking handover of first frigate to Argentina this week. Even so, we are bound to regret it. Public opinion here bound to be vocal, not least in view of our unpopular decision to release Rolls Royce engines for last 2 frigates to help Germans. But will do our best to keep reactions here in proportion. Hope German government will do what it can to help.





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4. Believe first of two submarines being manufactured in FRG for Argentina likely to be delivered in November. Submarines even more controversial than Surface Warships: must this decision stand?

### Essential Facts

#### Warships

1. Ministers decided in August to allow Rolls Royce to supply engines for two frigates being built in the FRG for Argentina without a separate assurance, which it was clear we were not going to get, from the Germans that they would not release the ships without our agreement. Engines for two others were delivered before the Falklands were invaded.
2. The lifting of the German embargo was announced on 20 September, and the frigates will now be delivered, the first at the beginning of February and the second in mid-1983 (both with engines delivered before 2 April 1982). The other two will be delivered in 1984.
3. The Germans, under contracts dating from 1977, are manufacturing the TR 1700 diesel-electric powered submarines for Argentina. The first is due for delivery in November 1983. The delivery date for the second is not known. The Argentines are starting to manufacture four more TR 1700 submarines and six more MEKO 140 frigates in Argentina under licence.
4. There have been indications that Herr Genscher may at one stage at least have toyed with the idea of visiting Argentina.

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BRIEF NO 9

VISIT OF CHANCELLOR KOHL (AND HERR GENSCHER) TO  
CHEQUERS ON 4 FEBRUARY

SPAIN/NATO (Including Gibraltar)

Points to Make

Spanish Membership of NATO

1. Important not to pressure Gonzalez into premature moves: he needs time to influence his public and parliamentary opinion. Best to try quietly to convince Spanish Government of advantages of membership. Must avoid Spain having membership outside integrated military structure.

Gibraltar

2. No possibility of concessions by us on NATO/Gibraltar while restrictions on Gibraltar remain. Key is in Spanish hands. Hope Lisbon agreement will be implemented in the Spring. This should greatly facilitate discussions of e.g. Command boundaries.

Essential Facts

NATO

1. Spanish Government have frozen negotiations about terms of membership of NATO and are committed to hold a referendum on membership. But Spain have agreed to continue to participate in several NATO Committees.

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2. Signs are that Felipe Gonzalez is in no hurry to call a referendum; that PSOE Government might not advocate a negative vote; and that they hanker after membership outside integrated military structure on French lines. US, FRG and France agree with us that a French-type outcome must be avoided. Gibraltar interests prevent us taking a lead. Spanish Foreign Minister may visit Bonn in February to discuss NATO and EC membership.
3. Allies and Spaniards are aware that we cannot accept subordination of GIBMED to higher Spanish NATO command, or Spanish military presence on the Rock, so long as border is shut.
4. Implementation of Lisbon agreement would probably allow us to concede these and so help PSOE Government convince public of desirability of NATO membership (if they felt so inclined). But restrictions must be lifted first.
5. Preliminary signs are that Spaniards have over-ambitious aims for command boundaries (eg creation of a new major Command commanded by a Spaniard). But a key objective likely to be to have overall command of Gibraltar area.

#### Gibraltar

6. Partial opening of border, to certain pedestrians, in December is a welcome step in the right direction. But no substitute for full lifting of restrictions, as envisaged in Lisbon agreement.

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7. When Mr Pym met Spanish Foreign Minister on 10 December 1982 in Brussels they reaffirmed commitment to Lisbon agreement and agreed that officials should meet to prepare for implementation in the Spring.

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VISIT OF CHANCELLOR KOHL (AND HERR GENSCHER) TO CHEQUERS  
ON 4 FEBRUARY

CSCE

Points to Make

1. Outcome of latest session reasonably satisfactory. Good that Western unity was maintained. Any sign of Soviet willingness to pay a price in human rights - eg, release of dissidents - in return for Conference on Disarmament in Europe?

Essential Facts

The Madrid Review Conference

1. The latest session in November/December concentrated on Western amendments to the Neutral and Non-Aligned draft concluding document (known as RM 39). These amendments aim to make RM 39 reflect developments since it was drawn up in late 1981 - especially Poland - and to secure greater provision for human rights, freer exchange of information, human contacts, etc. Despite known US doubts before the session began, Western unity was maintained well. The East concentrated on the need for a Conference on Disarmament in Europe (CDE). Though the session ended with some expectation that agreement on a concluding document might be reached by Easter,

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success will depend largely on US/USSR relations and on Soviet calculations of the price they can pay in the human rights' field for a CDE. Some NATO countries were alarmed by recent indications that the USA might agree to drop the Western amendments if the USSR made a sufficient gesture by releasing dissidents. But it is not yet clear whether this will be the American position when the Conference resumes on 8 February.

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BRIEF NO 11

VISIT OF CHANCELLOR KOHL (AND HERR GENSCHER) TO  
CHEQUERS ON 4 FEBRUARY

POLAND (Including Debt Rescheduling)

Points to Make

Martial Law

1. Suspension of martial law more of a procedural than substantive change although full effect not yet clear. Government appear to have crushed active dissent. But without cooperation of workforce, economy will not recover and political instability will continue.

Western Policy

2. Not the time to change broad lines of policy. Must keep this under review. Polish authorities' actions should be judged by their practical effects. Pope's visit (if it goes ahead) likely to be most significant indication of where popular sympathies lie and extent of tolerance by the regime.

Debts

3. Must also keep under review problem of Polish debt rescheduling. Aware of growing pressure among Western Creditor Governments to move towards rescheduling talks. Risk of a damaging split cannot be excluded. Important we should maintain a united position; may therefore need to consider movement on this issue soon.

/Humanitarian Aid

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Humanitarian Aid (If raised)

4. Believe humanitarian aid from West has significantly helped to improve food and medical supply situation in Poland. Aid resources however inevitably limited. Must consider carefully allocation of these in view of our main aid priorities in the Third World.

Essential Facts

Martial Law

1. Martial law in Poland was suspended on 31 December and all but 7 of the detainees were released. Measures voted by Parliament to replace martial law however may be equally repressive if they are fully implemented. Regime have announced a possible amnesty for 700 people imprisoned for martial law offences but some 3-4,000 people remain in jail. Authorities appear to have subdued remnants of Solidarity. But there is little popular support for Jaruzelski's policies and further outbreaks of discontent or violence cannot be excluded. The Church has publicly criticised the limited nature of the martial law relaxations; there is some doubt whether Pope's visit will go ahead in June as planned.

Western Policy

2. The Western reaction to the suspension of martial law has been cautious; the NATO Ministerial communique of 9/10 December (attached) emphasised that "the Polish Government's actions would be judged by their practical effects". No further EC or NATO

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statement is planned until a full assessment has been made of the recent developments; work on this is now under way in both fora. The situation in Poland is on the agenda for the session of the UN Human Rights Commission which began on 31 January.

#### Debt

3. Polish debt is a particularly awkward problem. Refusal to reschedule official debt has in fact given the Polish authorities 100% relief. Several Western countries, not only non-NATO ones are pressing for early talks on 1982/83 debt rescheduling. Pressure is likely to grow now it is becoming apparent that the banks have managed to achieve repayment of part of their debt through their agreement in 1982. If the US (and French) remain opposed, there is a risk of a split, both in the Paris Club (the forum for collective Western treatment of international debt questions) and the Alliance. Discussions resumed in the Paris Club on 2 February. Problem may be referred to EC Ministers on 1 March.

#### Humanitarian Aid

4. The aid programmes funded by the Community (£14 million allocated in 1982) will come to an end in March and a new decision will be required if aid is to continue. As there is no possibility of transferring funds from the agricultural budget, as in 1982, a decision to continue aid would require additional funds from member states. This is likely to cause us difficulty in view of the constraints on our aid budget and our desire to restrict new Community expenditure.

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EXTRACT ON POLAND FROM NATO MINISTERIAL COMMUNIQUE ON  
9/10 DECEMBER 1982

The violations in Poland of the Helsinki Final Act and of the Conventions of the International Labour Organisation, in particular by the banning and dissolution of Trade Unions including Solidarity, continue to cause the gravest concern.

The Allies call upon the Polish Authorities to abide by their commitment to work for national reconciliation. Recalling their declaration of 11 January 1982 (Footnote: the Greek Delegation recalled its position on various aspects of this declaration.), the criteria of which are far from being fulfilled, the Allies have noted the recent release of a number of detainees and continue to follow closely developments in Poland, including possible relaxation of Military rule. They emphasise that in this regard the actions of the Polish Authorities will be judged by their practical effects. The Allies consider that the improvement of relations with Poland depends on the extent to which the Polish Government gives effect to its declared intention to establish civil rights and to continue the process of reform. Freedom of association and the rights of workers to have Trade Unions of their own choice should not be denied to the Polish people. The dialogue with all sections of Polish society must be resumed. The Allies call on all countries to respect Poland's fundamental right to choose its own social and political structures.



VISIT OF CHANCELLOR KOHL (AND HERR GENSCHER) TO  
CHEQUERS ON 4 FEBRUARY

INTERNATIONAL ECONOMIC ISSUES

Points to Make

1. International meetings throughout 1982 reaffirmed success of current strategy to reduce inflation. Further progress needed on lowering interest rates; US fiscal policy is the key. Important to follow up Versailles statement of international monetary undertakings. Must continue efforts to stabilize exchange rates although further adjustments, particularly of dollar and also yen and deutschemark, are necessary.
2. Estimate of economic activity in 1982 and prospects for growth for 1983 have been revised downwards. Unemployment is rising alarmingly in many countries; pressure for protectionism remains evident. Recent OECD report urges governments to minimize risks to economic recovery from protectionism and from threats to international financial system.
3. Growing pressure for some form of concerted reflation. Agree some policy coordination is necessary to ensure a steady recovery and convergence on non-inflationary growth. But excessive expansion would undermine basis for recovery.
4. Welcome German position over credits to Yugoslavia. German banks exposed in both Eastern Europe and Latin America. Are they coping? Believe we may be over the worst on debt problems, but





still many countries to be tackled. What is German assessment?

5. Important that forthcoming meeting of IMF's Interim Committee is successful. Much attention will be focussed on it. All participants, particularly the US, will need to show flexibility.

#### Essential Facts

1. GDP Growth in OECD countries is likely to remain below 2% in 1983 after falling by  $1\frac{1}{2}\%$  in 1982. Although inflation has fallen more rapidly than expected in some countries, and interest rates have also fallen, unemployment will probably continue to rise throughout 1983. The volume of world trade fell in 1982; only a sluggish recovery is expected in 1983. Exchange rates remain volatile. Current account balances are likely to diverge significantly in 1983 which may generate further exchange rate adjustments. In present circumstances the overriding need is to tailor policies to specific circumstances.

2. Lower inflation allows more room for manoeuvre. Delayed recovery calls for careful assessment of economic developments and the impact of policy. Monetary policy needs to be operated flexibly but firmly while fiscal deficits, particularly in the US, should be put on a convincing declining path in the medium term. Recession has made management of deficits more difficult. It has also led to increasing demand for protectionist measures and difficulties in trade relations.



3. The problems of many of the major debtor countries have now been tackled. The three main Latin American debtors have IMF programmes. The Commercial Banks have played their part by putting together packages of new lending. But the problems of other countries in Latin America, e.g. Ecuador, still have to be faced. In Africa the co-ordinated approach also involves the aid donors. In Eastern Europe the main focus of attention is currently Yugoslavia. The UK contribution to the rescue package is of high quality. The announcement of the UK package is expected shortly. Final disbursement will, however, depend on satisfactory contributions by others, the IMF, the BIS, commercial banks, and on comparable governmental assistance from the FRG and other countries.

4. The meeting of the G-10 in Paris on 17-18 February agreed to enlarge the General Arrangements to Borrow (GAB) to SDR 17 billion. This is an important first step towards achieving the overall package of measures necessary to ensure that the IMF has adequate resources. Negotiations are taking place with Saudi Arabia on arrangements for lending in parallel with the GAB. But the main element in the package is the increase in IMF quotas. This will be discussed and hopefully agreed at the next meeting of the Interim Committee on 10-11 February, which the Chancellor will chair. It will be important for all participants to show flexibility. The German position is close to that of the UK: a 50% increase, to





SDR 92 billion is the minimum required and we could accept any figure in the range SDR 92-100 billion.



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BRIEF NO 13

VISIT OF CHANCELLOR KOHL (AND HERR GENSCHER) TO  
CHEQUERS ON 4 FEBRUARY

INTERNAL POLITICAL BACKGROUND

1. Germany goes to the polls on 6 March unless the Federal Constitutional Court vetoes the early election promised by Dr Kohl when he came to power last October. Judgement is expected on 16 February. The legitimacy of Kohl's CDU/CSU/FDP Government is an issue in the campaign which falls on the 50th Anniversary of the final collapse of Weimar democracy and Hitler's (constitutional) accession to power. The Basic Law (constitution) was supposed to prevent a Chancellor, who enjoys the confidence of a stable parliamentary majority, contriving an early election for political advantage.
2. The result of the election (which is likely to go ahead) cannot be predicted with any certainty. Genscher's FDP are still bearing the brunt of public criticism of the break-up of Schmidt's SPD/FDP coalition. His frenetic electioneering is unpopular. If the FDP survive it will be because at least 5 per cent of the voters regard them as indispensable if Kohl is to control the Bavarian CSU leader Strauss. An absolute CDU/CSU majority remains a distinct possibility. Although the SPD's recovery in the opinion polls (confirmed in regional elections late last year) has been dramatic, they are unlikely to become the largest party. SPD Chancellor candidate Vogel has not ruled out governing with "Green" support, and the polls still suggest that the Greens

/might

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might scrape into the Bundestag. But differences between the SPD and the Greens run very deep.

3. Economic and social policy are important in the campaign. The SPD Opposition stress that 400,000 have been added to the unemployed since Dr Kohl became Chancellor (total rising towards 2.5 million). But increasingly INF problems overshadow everything else. The controversy centres on how the FRG is to : maintain satisfactory relations with the Soviet Union and Eastern Europe; protect the interests of Germans (particularly 16 million in the GDR) imprisoned behind the Iron Curtain; and remain a loyal member of NATO and the European Community. However unhelpful Vogel's (and Genscher's) manoeuvrings on INF deployment may be, the SPD leadership are not neutralist.

4. In the personality battle Vogel is proving an able challenger to Kohl, who is nonetheless probably happy not to be facing Schmidt. Kohl is showing quiet self-confidence and has acquired authority in office. Strauss has entered the missile controversy with loud reassertions of his well-known position that the zero option is unattainable and that the West should go ahead with INF deployment. On past form his intervention may weaken Kohl and help both SPD and FDP.

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MEETING WITH CHANCELLOR KOHL, FRIDAY 4 FEBRUARY 1983

INTERNAL MARKET

SUPPLEMENTARY BRIEF

INTRODUCTION

1. This reports outcome of first Internal Market Council held on 1 February; further Council planned for 1 March.

OBJECTIVE

2. To express appreciation to Chancellor Kohl for effective and constructive German Presidency of the Council and to encourage Germans to maintain impetus at 1 March Council.

LINE TO TAKE/POINTS TO MAKE

3. First Internal Market Council made quite a good beginning. Much credit must go to the effective and constructive Presidency of Count Lambsdorff (and Herr Schlecht for the later items).

4. UK very keen to secure real progress on Internal Market items. Hope that next Internal Market Council can agree the three substantive items (frontier facilitation, standards information system, Community certification of goods from third countries), to meet the timetable laid down by European Council last December.

5. Welcome Presidency's acknowledgement of UK's concern for progress on services and transport and to inclusion of these items in Council's future work programme.





6. Hope Count Lambsdorff will be able to Preside over 1 March Council but UK will of course understand if domestic election pressure prevent this.

#### ESSENTIAL FACTS

7. The European Council last December instructed the Council of Ministers to "decide before 31 March 1983 on the priority measures proposed by the Commission to reinforce the Internal Market". These measures concerned: (i) unblocking the harmonisation programme through a procedure to deal with Community certification of goods from third countries (the "Third Country Problem") (ii) establishing a system to notify new technical standards and regulations to the Commission and to allow Member States to intervene if these appear to raise non-tariff barriers and (iii) frontier facilitation measures.

8. At the first Internal Market Council on 1 February the UK was represented by the Minister for Trade, Mr Rees. No substantive decisions were taken on the three items. None was really expected but quite a bit of progress was made (in particular the Germans offered helpful flexibility on the standards item). We think the standards notification system and some frontier facilitation proposals will be approved at the next Council on 1 March.

9. The Third Country problem will be much more difficult. Common External Policy problems have intruded into the essentially technical issue of certification. The French and Italians want an effective right of <sup>national</sup> veto against third country goods entering their market. The remainder want this issue decided on its technical merits by qualified majority voting. (We fear a French right of veto may disrupt the internal market and increase retaliatory pressures against Community as a whole from offended third countries.)





COREPER will try to resolve this issue before 1 March.

10. The 1 March Council should also agree a longer term work programme (for completion before the June European Council). The German Presidency acknowledged our concern for services (especially insurance and air transport) and indicated that this would be on the work programme.



VISIT BY CHANCELLOR KOHL (AND HER GENSCHER) TO CHEQUERS  
ON 4 FEBRUARY 1983

US DEFENSE APPROPRIATIONS ACT: SPECIALITY METALS

Points to Make (for use if raised)

1. Share your concern about protectionist mood in Congress, and in particular about the Speciality Metals restriction in the Defense Appropriations Act. The limited waiver goes some way but by no means all the way to meet European concerns, but unclear how it will be interpreted.
2. Have already made our concern known to US Administration, but key lies with Congress. Will continue to take every opportunity to press our concern in both quarters.

Essential Facts

1. So-called Berry Amendment in the annual Defense Appropriations Act dates back to 1950s. It required that no equipment containing 'speciality metals' (special steels and alloys used inter alia in manufacture of defence equipment) be purchased outside US for defence purposes, unless the metals had been produced or processed in US. Legislation remained in force until 1977 when waiver was introduced for UK and other Allied countries, as part of effort to promote a 'two-way street' on purchases of defence equipment between the two sides of the Atlantic.





2. Under pressure from US steel industry the waiver was lost in the 1982 Defense Appropriations Act. Strenuous efforts were made last year by European Allies to have it restored. However, the 1983 Defense Appropriations Act excludes only 'Weapons/Weapons Systems' from the restriction. Unclear how this will be interpreted. We shall continue to press for the waiver to apply generally to 'Defence Items'.

3. Germans particularly exercised about this problem. They regard it as undermining any pretence at equal relationship between European Allies and US in the purchase of defence equipment. They have already spoken very strongly to Americans. Chancellor Kohl's office have indicated that he may raise it with the Prime Minister.





MEETING WITH CHANCELLOR KOHL, FRIDAY 4 FEBRUARY 1983

INTERNAL MARKET

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PRIME MINISTER

Visit by Chancellor Kohl (Friday)

He will arrive at RAF Benson at 1000 and has to leave at 1530. The time available for talks, given interpretation, will therefore be pretty limited.

I suggest that you meet him at RAF Benson on arrival but that, as this is an informal working visit, we do not have an arrival ceremony with a guard of honour, etc. I know that this will be entirely acceptable to the Germans. Agree?

As to the talks, following the past pattern, we have agreed with the Germans that you will have a tête-à-tête with the Chancellor at about 1040, that you will both be joined by the two Foreign Ministers when you are ready (at about noon) and that we break for lunch at 1245.

To allow maximum time for discussion, the lunch, if you agree, would be a working lunch with about six a side. Content?

We would then leave at 1400 for a 30 minute press conference at RAF Halton at 1415. Then the Chancellor would go to RAF Benson for departure at 1530. Do you wish to see him off yourself? Or would you like the Foreign Secretary to do this?

A.S.C. ~~1st~~

For Sec to see ~~him off~~,  
himself not

1 February 1983



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Foreign and Commonwealth Office

London SW1A 2AH

1 February 1983

*Jock Taylor*

Administrative Arrangements for the Visit of Chancellor Kohl  
(and Herr Genscher) to Chequers on 4 February

Thank you for your letter of 28 January.

The German Embassy have confirmed that Dr Kohl proposes to arrive at RAF Benson at 1000, and that he would like to take off on the return leg at 1530.

The German Embassy have given us details of the accompanying party. Dr Kohl will be accompanied, from the Federal Chancellor's Office, by:

Herr Teltschick	(Diplomatic Adviser)
Herr Grimm	(for economic subjects)
Herr Neuer	(European Affairs)
Herr Weber	(Interpreter)

Herr Genscher will be accompanied by:

Herr Horstmann	(Counsellor)
Frau Sieberg	(Interpreter)

The Deputy Government Spokesman, Herr Sudhoff, will also be travelling from Bonn with Dr Kohl. The German Ambassador, Dr Ruhfus, will be present, together with two members of the Embassy staff, Herr Gnodtke and Herr Rothen, to provide administrative support. The Germans will bring three security officials. If you can confirm that there should only be three officials from each side at the Prime Minister's lunch, we shall ask the Germans to nominate theirs.

Sir Jock Taylor, Mr Evans and Mr Gillmore (the officials who will be at Chequers on 4 February) will be available to attend the Prime Minister's briefing meeting at 1630 on 3 February if you so wish.

/The RAF

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The RAF have offered to provide a 'carpet lining guard' for the Chancellor's arrival at the airport. Perhaps we could have a word on the telephone about who should greet Chancellor Kohl, on which I shall be consulting the Secretary of State in the morning.

*Yours ever,*  
*R B Bone*

(R B Bone)  
Private Secretary

A J Coles Esq  
10 Downing Street

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FEB 1983

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FM FCO 311800Z JAN 83  
TO IMMEDIATE BONN  
TELEGRAM NUMBER 46 OF 31 JANUARY  
INFO SAVING WASHINGTON, EC POSTS, MOSCOW, UKDEL NATO

VISIT OF CHANCELLOR KOHL (AND HERR GENSCHER) TO CHEQUERS  
ON 4 FEBRUARY

1. THE FRG AMBASSADOR CALLED ON BULLARD TODAY.
2. RUHFUS SAID KOHL WOULD WISH TO CONCENTRATE ON EAST/WEST AND TRANSATLANTIC RELATIONS IN THE LIGHT OF THE VISITS TO BONN BY GROMYKO AND BUSH, AND OF HIS EXCHANGE OF VISITS WITH MITTERRAND. KOHL WOULD ALSO PROPOSE THAT HE AND THE PRIME MINISTER SHOULD DISCUSS THEIR RESPECTIVE DOMESTIC SITUATIONS, AND THAT IN THE US. BULLARD AGREED THAT THESE TOPICS LOOKED LIKE HAVING HIGHER PRIORITY THAN COMMERCIAL POLICY AND PROTECTIONISM, WHICH DR KOHL HAD ORIGINALLY SUGGESTED AS SUBJECTS FOR THE MEETING. WE WERE PREPARING BRIEFS ACCORDINGLY.
3. BULLARD EXPECTED THAT THE PRIME MINISTER WOULD ALSO WISH TO DISCUSS COMMUNITY PROBLEMS, ALTHOUGH SHE WOULD NOT EXPECT DR KOHL TO BE BRIEFED IN GREAT DETAIL. THREE BASIC POINTS, POLITICAL RATHER THAN TECHNICAL, SEEMED CLEAR TO US:-
  - (I) A BUDGET SOLUTION WAS REQUIRED BEFORE THE END OF THE GERMAN PRESIDENCY:
  - (II) IF THE GERMANS INSISTED ON PAYING ONLY 25 PER CENT OF THEIR NORMAL SHARE OF THE COST OF ANY FUTURE REFUNDS AN AGREEMENT WAS UNLIKELY TO BE REACHED, AND THEY WOULD PRECIPITATE A COMMUNITY CRISIS DURING THEIR PRESIDENCY:
  - (III) THE ARGUMENT OF THE PREVIOUS GERMAN GOVERNMENT THAT THE FRG ONLY HAD A BUDGET PROBLEM BECAUSE OF UK REFUNDS, AND NOT AS A RESULT OF THE FRG'S TOTAL NET CONTRIBUTION BEING TOO LARGE, WAS DIFFICULT FOR US.
4. RUHFUS SAID HIS GOVERNMENT WERE DETERMINED TO LIVE UP TO THE RESPONSIBILITIES OF THE PRESIDENCY, BUT THAT A SOLUTION OF

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THE BUDGET PROBLEM WOULD BE EASIER TO ACHIEVE AFTER THE ELECTIONS ON 6 MARCH. THE 3 BRITISH POINTS WERE INDEED POLITICAL, BUT SOLUTIONS WOULD REQUIRE DETAILED INVESTIGATION OF FACTS AND FIGURES, AND ON THE SECOND KOHL WAS TIED BY A CABINET DECISION.

5. BULLARD SAID WE ENVISAGED THE FOREIGN MINISTERS COVERING EAST/WEST AND TRANSATLANTIC RELATIONS IN MORE DETAIL IN PARALLEL TALKS. AT LUNCH, WITH OFFICIALS PRESENT, THE MORNING'S DISCUSSIONS WOULD BE REVIEWED AND THE WORLD ECONOMIC SITUATION AND COMMUNITY PROBLEMS COULD BE COVERED IN THE NECESSARY DETAIL.

6. RUFUS SAID THAT AT THE JOINT PRESS CONFERENCE KOHL WOULD WANT TO PLACE ON RECORD HIS STRONG COMMITMENT TO THE ZERO OPTION. BULLARD SAID WE WOULD ALSO FIND IT HELPFUL IF HE COULD SUPPORT THE EXCLUSION OF THE BRITISH AND FRENCH DETERRENTS FROM THE GENEVA NEGOTIATIONS.

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SIR J BULLARD

MR GOODISON

MR EVANS

MR HANNAY

MR GILLMORE

MR URE

COPIES TO:-

MR GOODALL )

MR HANCOCK ) CABINET OFFICE.

MISS LAMBERT )

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S E C R E T

*This message was discussed at a meeting at Chequers on Sunday, 30 January. The Prime Minister decided not to send it, particularly as the arrival of Mr. Bush in Bonn was imminent. A.T.C. 2/1 p.a.*

DRAFT

MESSAGE TO CHANCELLOR KOHL FROM THE PRIME MINISTER

1. I know that you will be meeting Vice President Bush very shortly, and I thought you might be interested to know of some thoughts expressed today at a meeting which I have been holding at Chequers - where I very much look forward to seeing you next Friday - to discuss the whole problem of arms control.
2. I have seen reports of Hans Dietrich Genscher's talks in Washington. The idea of a special and early meeting of NATO Foreign Ministers is one about which I have some reservations: I see a risk of creating the impression of an alliance thrown into confusion by Andropov's recent propaganda initiatives. But I am very conscious of the need to strengthen the Western public position by stimulating early progress at some point in the spectrum of arms control negotiations, if criticism of the United States is not to be allowed to continue to grow in my country, and perhaps in yours.



3. One way to achieve this result might be for the United States, while maintaining the zero option as the negotiating objective in the INF talks, to take a new initiative in Geneva by proposing an interim arrangement as the first step towards zero. The central elements of this could be that the United States would deploy fewer cruise and perishing II missiles than the 572 envisaged at present, and that the Soviet Union would reduce its long-range intermediate nuclear weapons systems to the same number, which might for example be defined as 300 war heads.

4. I have not definitely made up my mind that this is the best way forward, and I am very glad that there will be an opportunity to discuss the whole problem with you after your talks with George Bush and before I see him myself. Meanwhile it would be very helpful to me to know that the idea I have outlined is one that you have not yourself ruled out, and that in talking to George Bush you will not say anything which would make it impossible to follow up, if we were all to decide that this was right.

5. I can imagine how pressed for time you will be today, but I would greatly welcome a preview of the line you plan to take with the Vice President, if you have a moment to send me one.



Mrs Stephens

From the point of view of  
keeping up with your work, it  
would be convenient if you did not  
go down to Chequers on Thursday  
evening until we can send Thursday's  
work with you, but subject to that  
you may find it more convenient  
to spend Thursday night at Chequers.

1. MR. BUTLER
2. PRIME MINISTER

Amend  
ms

Chancellor Kohl's visit to Chequers

IGRB

28-1.

Do you wish to go to Chequers on Thursday evening next week or go down first thing on Friday morning? At present we are expecting Chancellor Kohl to arrive at RAF Benson at 1000 a.m.

el.

28 January 1983





Germany  
be Sue Goodchild.

10 DOWNING STREET

*From the Private Secretary*

28 January 1983

Administrative Arrangements for the Visit  
of Chancellor Kohl

Thank you for your letter of 25 January.

The Prime Minister would be grateful if Mr. Evans and Mr. Gillmore could, as you suggest, be at Chequers on 4 February. They, and Sir Jock Taylor, will of course be invited to lunch.

It is perfectly acceptable that a Private Secretary should accompany the Foreign and Commonwealth Secretary to cover his talks with Herr Genscher. It may be that, as in the past, we shall arrange a separate informal lunch for some of those not invited to the main lunch. But a decision about this will be taken when we know who the German team are. I hope their names will now be obtained quickly.

BF

A. J. COLES

Roger Bone, Esq.,  
Foreign and Commonwealth Office.



PRIME MINISTER

Visit of Chancellor Kohl: 4 February

You have agreed to meet Chancellor Kohl's wish that the participants at Chequers on 4 February should be as few in number as possible. The Germans have told us that Chancellor Kohl now particularly wishes to discuss security subjects, especially INF, and Vice-President Bush's visit. He also wants to talk about East/West subjects, protectionism, Transatlantic relations and EC questions. I think if we are to match the German team we shall need 2 or 3 officials.

Agree that Richard Evans (to give advice on Community matters, protectionism, and commercial policy) and David Gilmore (defence; nuclear) should be invited? *Yes*

Sir Jock Taylor will be coming over from Bonn for the visit.

*Yes*  
*Yes*  
A. J. G.  
S. J. C.

*pp ASC*

*mt*

27 January, 1983.



Germann

Prime Minister

Since you said earlier that you would meet Herr Kohl's wishes on press arrangements I have said that we will be glad to arrange the usual joint press conference.

A.S.C. 27/1

GRS 425  
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FM BONN 261707Z JAN 83  
TO IMMEDIATE FCO  
TELEGRAM NUMBER 082 OF 26 JANUARY

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YOUR TELEGRAM NO 32: CHANCELLOR KOHL'S VISIT ON 4 FEBRUARY

1. MALLABY DISCUSSED THE AGENDA WITH TELTSCHIK IN THE CHANCELLOR'S OFFICE TODAY. TELTSCHIK SAID THAT THE CHANCELLOR WOULD PARTICULARLY WISH TO DISCUSS SECURITY SUBJECTS ESPECIALLY INF. THAT WOULD ALSO EMBRACE VICE-PRESIDENT BUSH'S VISIT. IN ADDITION HE WOULD WISH TO DISCUSS OTHER EAST/WEST SUBJECTS, PROTECTIONISM, TRANSATLANTIC RELATIONS AND OTHER EC QUESTIONS INCLUDING THE BUDGET.

mt

2. TELTSCHIK SAID THAT THE CHANCELLOR ATTACHED IMPORTANCE TO HAVING A JOINT PRESS CONFERENCE WITH THE PRIME MINISTER. TELTSCHIK SUGGESTED THAT A JOINT APPEARANCE BY THE FEDERAL CHANCELLOR AND THE BRITISH PRIME MINISTER WOULD PROVIDE A HELPFUL ELEMENT OF BALANCE FOLLOWING THE JOINT APPEARANCES OF KOHL AND MITTERRAND DURING THE CELEBRATIONS LAST WEEK OF THE 20TH ANNIVERSARY OF THE ELYSEE TREATY. CONVERSELY, THE ABSENCE OF A JOINT APPEARANCE DURING KOHL'S LONDON VISIT WOULD MAKE AN UNFORTUNATE CONTRAST. TELTSCHIK ALSO ARGUED THAT IT WAS IMPORTANT FOR WESTERN LEADERS TO TAKE EVERY OPPORTUNITY TO DEMONSTRATE THEIR SOLIDARITY ON SECURITY MATTERS IN THE RUN-UP TO THE KEY DECISIONS ON INF STATIONING. IT WOULD BE GOOD IF KOHL AND MRS THATCHER WERE BOTH TO SAY IN THE SAME PRESS CONFERENCE THAT A ZERO SOLUTION WAS THE RIGHT AIM BUT THAT ALL SERIOUS SOVIET PROPOSALS WOULD BE EXAMINED. THE PRIME MINISTER MIGHT ALSO WISH TO MAKE A CLEAR DECLARATION ABOUT WHY BRITISH NUCLEAR WEAPONS COULD NOT BE TAKEN INTO ACCOUNT IN THE INF TALKS. FOLLOWING MITTERRAND'S STATEMENT ON FRENCH SYSTEMS IN THE BUNDESTAG LAST WEEK, A STATEMENT BY MRS THATCHER, WHICH KOHL WOULD ENDORSE, COULD HAVE A VERY HELPFUL EFFECT ON GERMAN OPINION.

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3. KOHL'S MOTIVES IN WANTING A PRESS CONFERENCE NO DOUBT INCLUDE ELECTORAL ONES. BUT I AM CONVINCED THAT INF IS ALSO A MAJOR FACTOR. I SHARE IN PARTICULAR THE VIEW THAT A HIGH LEVEL STATEMENT ABOUT BRITISH NUCLEAR WEAPONS AND THE INF TALKS WOULD HELP TO COUNTER THE RECENT TENDENCY IN VARIOUS CIRCLES IN THE FRG TO THINK THAT OUR SYSTEMS SHOULD BE COUNTED IN GENEVA. THE POTENTIAL DANGER IN THIS CONNECTION IS THAT OF BEING ACCUSED OF INTERFERENCE IN THE GERMAN ELECTION CAMPAIGN ON THE SIDE OF KOHL AGAINST THE SPD WHO TEND TO FAVOUR THE COUNTING OF BRITISH SYSTEMS. BUT A STATEMENT BY THE PRIME MINISTER IN A PRESS CONFERENCE IN LONDON WOULD BE VERY DIFFERENT IN THIS RESPECT FROM MITTERRAND'S IN THE BUNDESTAG. IT COULD NO DOUBT BE MADE IN REPLY TO A QUESTION. KOHL'S ENDORSEMENT OF IT WOULD ONLY CONFIRM HIS KNOWN POSITION. I THEREFORE SUGGEST THAT THE RISK OF ACCUSATIONS OF INTERFERENCE IN THE ELECTION CAMPAIGN IS NOT GREAT AND SHOULD NOT DETER US FROM TAKING THIS OPPORTUNITY.

4. FCO PLEASE ADVANCE TO HEADS OF WED AND DEFENCE DEPARTMENTS.

TAYLOR

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PCD

DEF D

PS

PS/HR HURD

PS/LORD BELSTEAD

PS/PUS

SIR J BULLARD

HR WRIGHT

MR GOODISON

MR GILLMORE

(ADVANCED AS REQUESTED)

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Foreign and Commonwealth Office

London SW1A 2AH

25 January 1983

*John*  
*Caroline*  
*has noted*  
*you John,*  
*R 281*  
*cc. to Mrs Goodchild*

Administrative Arrangements for the Visit of  
Chancellor Kohl: 4 February

Thank you for your letter of 19 January.

We continue to press the Germans here and in Bonn to let us know when the Chancellor will arrive and for firm information on who will accompany him. The German Embassy are confident that the Chancellor will arrive at RAF Benson around 10.00. We expect details of the accompanying party by the middle of this week. We also await Chancellor Kohl's views on a press conference.

Assuming that the German team is roughly the same as it has been on similar occasions in the past, the Foreign and Commonwealth Secretary recommends that, in addition to the Ambassador, who will return to London in time for the Prime Minister's briefing meeting on 3 February, Mr Richard Evans and Mr David Gillmore should be at Chequers on 4 February. He would also like a Private Secretary to accompany him to cover his talks with Herr Genscher. Mr Evans can advise on commercial policy, protectionism and Community matters, while Mr Gillmore can deal with the defence aspects of East/West and transatlantic relations which now seem likely to be Dr Kohl's main preoccupation.

Mr Rudi Lederer has been engaged as the Prime Minister's interpreter. The Foreign and Commonwealth Secretary will rely, as in the past, on Herr Genscher's interpreter.

I am copying this letter to Richard Hatfield, Cabinet Office, and to John Rhodes, Department of Trade.

*John*  
*R B Bone*

(R B Bone)  
Private Secretary

A J Coles Esq,  
10 Downing Street.

CONFIDENTIAL



Germany  
Chancellor's Hall  
Visit, PT 7

15 JAN 1968





Gensler (2)

Germany: Chanc Kohl 11/79

Italy: Mr Fantani 2/82

Netherlands: Mr Lubbers 11/79

Econ. Pol: Willibrand  
Econ. S. Aff.



Prime Minister

To note.

A.S.C. 25/1

\* Original minute  
\* USA: Visit of V-Pres. Bush 6/79

MO 14/3

PRIME MINISTER

BILATERAL CONSULTATIONS

The Foreign and Commonwealth Secretary copied to me his helpful minute of 12th January about objectives for our forthcoming bilateral consultations with Allies. I agree with his proposed approach, but I would like to add a gloss on two specific points.

2. First, as regards the Genscher/Colombo proposals, I assume that we remain of the view that any discussions of security questions in this context should not go into issues which are properly matters for NATO. We shall need to watch this however much Continental rhetoric we are asked to swallow.

3. Secondly, I agree that the handling of East-West economic relations and the control of technology transfer will be particularly difficult in the aftermath of the pipeline dispute. We will need to impress on our European allies that the Americans mean business in this area and we need to be seen to be pulling our weight in the various studies envisaged. The programme of studies by its very scale offers a considerable potential for further exacerbating relations between the Americans and the Europeans.

4. I am sending copies to OD colleagues and Sir Robert Armstrong.

*W.M.*

24th January 1983

Ministry of Defence



Botschaft  
der Bundesrepublik Deutschland  
Embassy  
of the Federal Republic of Germany

Germany

Prot

London, 19th January 1983

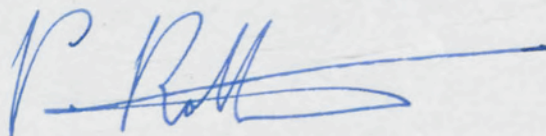
Mr. F.E.R. Butler  
Principal Private Secretary  
to the Prime Minister  
Prime Minister's Office  
10, Downing Street  
London SW 1

Dear Mr Butler,

Please find enclosed the original of a letter  
from the Federal Chancellor, Dr. Helmut Kohl, (7.1.83)  
to the Prime Minister.

An advance-copy of this letter has already been  
transmitted to the Prime Minister on January 10th, 1983.

Yours sincerely,



Peter Rothen  
Private Secretary  
to the Ambassador



London, 23rd January 1937

1937 JAN 23 11 21 AM  
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Principal Private Secretary  
to the Prime Minister  
Whitehall  
London W.C.1

Please find enclosed the original of a letter  
from the Federal Chancellor, Dr. Heinrich Brüning,  
to the Prime Minister.

An advance-copy of this letter has already been  
transmitted to the Prime Minister on January 18th, 1937.

Yours faithfully,  
Sir John Simon  
Secretary  
to the Ambassador



g/c JV  
file 26



10 DOWNING STREET

From the Private Secretary

19 January 1983

B7F

VISIT OF CHANCELLOR KOHL: 4 FEBRUARY

Thank you for your letter of 14 January.

The Prime Minister agrees with the Agenda suggested by the Foreign and Commonwealth Secretary.

Before we take a final decision on the pattern of the meeting, it will be necessary to know when Chancellor Kohl can arrive. A 10 o'clock arrival would suit the Prime Minister well. Perhaps you could now kindly establish with the Germans what time they envisage.

The Prime Minister will, as you suggest, want to begin with a tete-a-tete with the Chancellor, with one Private Secretary present on each side. We shall need to set aside at least an hour and probably longer for this. I do not think that Mrs. Thatcher will want to be tied to a precise list of points for this meeting. I am sure she will want to listen to the Chancellor's views on the prospects for the elections on 6 March. She may then wish to deal generally with East/West relations and trans-Atlantic relations but, since Chancellor Kohl originally wished commercial questions to be the main topic for his visit, I would expect the discussion to cover these in a general way as well.

Depending on the time available, it may then be desirable for the two Foreign Ministers to join the Heads of Government before lunch.

We then envisage a lunch on the lines you suggest but before deciding on official attendance I should be grateful for the firmest possible information on the members of the party who will accompany the Chancellor. At the lunch some account could be given of the main ground covered during the morning. Then, as you suggest, the discussion might turn to items 1, 3 and 5 of your Agenda.

Finally, after lunch, there would be a further discussion a quatre with one Private Secretary present on either side.

/As regards



CONFIDENTIAL

- 2 -

As regards a Press Conference, the Prime Minister would be guided by Chancellor Kohl's wishes. She is not herself particularly keen on a joint Press Conference but will take part in one if this is the Chancellor's preference. Otherwise, he could give his own Press Conference and we would brief on the visit in the usual way.

I should be grateful if you could let me have the German reactions to these suggestions as soon as possible.

B/K  
A. J. COLES

Roger Bone, Esq.,  
Foreign and Commonwealth Office.

CONFIDENTIAL



PRIME MINISTER

Visit of Chancellor Kohl: 4 February

The attached letter from the Foreign and Commonwealth Office suggests which subjects might be covered and how they should be shared between the various meetings.

If you agree, I propose to reply that:

- a) the agenda is acceptable;
- b) in your tete-a-tete with the Chancellor you will aim to cover the ground generally, with particular emphasis on the prospects for the elections in the Federal Republic on 6 March, East/West relations and trade issues (since Chancellor Kohl originally wished the latter to be the principal subject of his visit);
- c) there will then be a lunch with Foreign Ministers and two or three officials per side present, which might be devoted to completing the discussion on East/West relations and dealing with Community issues;
- d) following lunch, there will be a meeting with Foreign Secretaries present which would concentrate on defence and nuclear issues and transatlantic relations.

This visit is not the same as a bilateral Summit. I am a little doubtful about the idea of a joint press conference, which is hardly necessary at the end of a short <sup>working</sup> ~~weekend~~ visit. Do you particularly want one?

I don't - but he  
- may?

A.T.C.

18 January, 1983

mb





File

RW

10 DOWNING STREET

*From the Private Secretary*

17 January, 1983

BILATERAL CONSULTATIONS

The Prime Minister has seen the minute of 12 January by the Foreign and Commonwealth Secretary about the series of meetings which we shall be having with our partners and allies over the next few months. Mrs. Thatcher is content that the points outlined in Mr Pym's minute should be borne in mind in preparation of the various briefs.

R. Bone, Esq.,  
Foreign and Commonwealth Office



CONFIDENTIAL



Foreign and Commonwealth Office

London SW1A 2AH

14 January 1983

*Dear Sir,*

Visit by Chancellor Kohl: 4 February

In your letter of 5 January you asked for advice about the agenda for the Prime Minister's meeting on 4 February with Chancellor Kohl and about how the subject matter might be divided.

Agenda

The Foreign and Commonwealth Secretary suggests the following subjects:

- (1) Commercial policy, protectionism, including Community internal market questions;
- (2) East/West relations, including East/West economic relations;
- (3) defence and arms control, including INF;
- (4) transatlantic relations, including extra-territoriality;
- (5) other Community issues, including the Community Budget and agricultural questions; Enlargement; the Genscher/Colombo proposals (which the Germans will want to discuss); Common Fisheries Policy (if necessary).

Defensive briefing will also need to be provided on Turkey/EC relations.

Division of Subject Matter

We await news from the Germans on when Chancellor Kohl can arrive, but we can assume that the Prime Minister will have time for an hour's tete-à-tete with the Chancellor.

/She will

A J Coles Esq  
No 10 Downing Street

CONFIDENTIAL



CONFIDENTIAL



She will no doubt want to ask him about the situation in the Federal Republic and the prospects for the elections on 6 March. Of the items listed above, items 1, 3 and 5 might best be covered during the time when Mr Pym and Herr Genscher would also be present. This suggests that during their private meeting the Prime Minister and the Chancellor might talk about East/West and transatlantic relations (but perhaps leaving Mr Pym and Herr Genscher to cover points of detail on East/West economic relations and extra-territoriality). All four principals might then compare notes on these same subjects over lunch (with officials present), and go on from there to tackle items 1, 3 and 5, reserving any points of particular delicacy for discussion afterwards among themselves without officials.

If the Prime Minister is content we will put these proposals to the Germans and prepare briefing accordingly.

You may also wish to bear in mind that, according to our information, Chancellor Kohl is likely to suggest a joint press conference as the last event in the day's programme.

A handwritten signature in blue ink, appearing to read 'R B Bone', written in a cursive style.

(R B Bone)  
Private Secretary

CONFIDENTIAL



GERMANY: Chancellor Kohl's visit to UK April 1983; Pg 7.



14 JAN 1983





Prime Minister

PM/83/3

PRIME MINISTER

Yes not

Are you content that we should have these points in mind as briefing is prepared for the series of meetings with our European and U.S. partners which lie ahead?

A. J. C.  $\frac{14}{1}$ Bilateral Consultations

1. We have a series of important meetings with partners and allies over the next few months. You will be seeing Kohl at Chequers on 4 February and the Anglo-German Summit will be held here on 22 April. I have a brief meeting with Colombo in London on 13 January and the Anglo-Italian Summit is now fixed for 25 February. I am seeing Cheysson on 31 January, also in London, and Geoffrey Howe will be talking to him about the Community Budget the following day. I shall probably also be seeing the French Foreign Minister again in April to follow up your meetings with Mitterrand on 4 and 5 November. You are seeing Lubbers on 2 March. We also have Bush coming here on 9-10 February, and the Economic Summit at Williamsburg is fixed for the end of May.

2. I think it worth clearing our minds as to our priorities and objectives in these meetings. I believe these should lie in four areas:

- (a) International economic problems are bound to become more and more insistent themes as Williamsburg approaches. Not only will current problems such as debt and protectionism be raised, but also the medium-term question of how the world economy can move out of recession along a non-inflationary path. Interest in this last point will be sharpened by the elections this year in Germany, France and possibly Italy, and in 1984 in the US. Fear of protectionism has exacerbated Community/US relations. We shall need to work on the Germans and the French. We have common interests when it comes to Japan..





- (b) We also need to steer between the rocks on Community questions. Our immediate and principal objective must be to make progress over the budget, including tactics for dealing with the European Parliament over 1982 refunds as well as the broader issue of refunds for 1983 and later. We must also ensure that any review of the Community's budgetary system flowing from the forthcoming green paper by the Commission should highlight the correction of budgetary imbalances as a major objective. Other Community subjects include: fisheries, where we need to keep the Nine together; enlargement, where we need progress; and increasingly over coming months, CAP price fixing, where we shall be urging our partners to agree that a real measure of restraint is imperative this year.

In pursuing these objectives it will be important to convince our partners of our commitment, as shown by recent speeches by Ministers, to the development of the Community. The Germans and Italians will be looking for sympathy from us over the Genscher/Colombo proposals, which the German presidency would no doubt like to see adopted before their elections on 6 March. I think we should be prepared to swallow a good deal of Continental rhetoric if it helps to reinforce our European credentials and thus improves the chances of our securing our European objectives.

/(c)





- (c) Our defence credentials, after the Falklands and our expenditure record, give us a standing we can exploit. 1983 will be a difficult year for the Alliance. INF has become the latest and vital test of its unity. There can be no doubt of our determination to deploy, nor that of Chancellor Kohl or of the Italian Government. I wish I could say the same of the Dutch or the Belgians. Rising popular and party political opposition (especially in West Germany) could this year threaten the broad consensus which has prevailed in Western Europe on defence issues since the Second World War. We shall need to co-ordinate NATO's reactions to Soviet moves and do our utmost to make sure that the Americans keep in step with the Europeans. They have to be persuaded to talk about security issues in terms which meet public concerns. There is in 1983, even apart from arms control issues, likely to be an increase in East/West exchanges, with Gromyko already booked to talk to Genscher and Cheysson during the next month.
- (d) All three of these issues have important implications for the Transatlantic relationship. The pipeline dispute has been settled but the differences of opinion which led to it have not been resolved. There is still fundamental disagreement about how to handle East-West economic relations.





relations, reflecting differing assessments as well as divergent interests. It may be difficult this year, too, to manage US/Community relations. Britain will therefore have a continuing role in persuading our European partners to keep American political realities in mind, and the other way about. This is likely to prove particularly necessary during the various studies set in hand following the pipeline row, if they are not to lead to another round of disillusionment and bitterness. We have a unique standing in Washington and will need to exploit it on behalf of wider European and transatlantic interests.

3. I am instructing my officials to bear the foregoing considerations in mind when preparing briefing for these meetings, subject to any comments from you or from OD colleagues to whom this minute is also being copied.
4. I am also sending a copy to Sir A Armstrong.

FP

(FRANCIS PYM)

Foreign and Commonwealth Office  
12 January 1983





Fle N6

10 DOWNING STREET

*From the Private Secretary*

10 January 1983

I enclose for your information a copy of the telegram which the Prime Minister has received from the Chancellor of the Federal Republic of Germany confirming his acceptance of the Prime Minister's invitation to talks at Chequers on 4 February 1983.

TIMOTHY FLESHER

Roger Bone, Esq.,  
Foreign and Commonwealth Office.





*Flu Kb*

10 DOWNING STREET

*From the Private Secretary*

10 January 1983

During the Prime Minister's absence abroad, I am writing to thank you for your letter of today's date and also for enclosing a telegram from the Federal Chancellor, Dr. Helmut Kohl. I shall place this before the Prime Minister upon her return.

TIMOTHY FLESHER

His Excellency Dr. Jurgen Ruhfus, K.B.E.



Subjet

✓ Mader  
OPB



DER BOTSCHAFTER  
DER BUNDESREPUBLIK DEUTSCHLAND

London, 10th January 1983

PRIME MINISTER'S  
PERSONAL MESSAGE  
SERIAL No. T3/83

Dear Prime Minister,

I have the honour to transmit to you  
the enclosed telegram from the Federal  
Chancellor Dr. Helmut Kohl.

A courtesy translation is attached.

I am, Dear Prime Minister,  
yours sincerely,  
Jürgen Ruhfus  
Jürgen Ruhfus

The Rt. Hon. Margaret Thatcher, MP  
Her Majesty's Prime Minister and  
First Lord of the Treasury

London



T e l e g r a m  
from

Herr Dr. Helmut Kohl, Chancellor of the Federal Republic of  
Germany

to

The Rt. Hon. Margaret Thatcher, MP, Prime Minister

---

Dear Prime Minister,

Thank you very much for your letter of 23 December 1982  
and for your kind invitation to come to Chequers or London for  
talks.

As your office has already been verbally informed, I  
am pleased to accept your invitation to Chequers for Friday,  
4 February 1983. I believe, as you do, that it would be  
extremely useful for us to continue in a small group the  
dialogue we began in London and Bonn on current problems.

With your permission I should like Federal Minister  
Genscher to accompany me on my visit.

Further details could be discussed through the usual  
channels.

Taking this opportunity to renew, dear Prime Minister,  
my personal best wishes for 1983, I remain,

Yours sincerely,

Helmut Kohl.



T e l e g r a m m

von

Herrn Dr. Helmut Kohl, Bundeskanzler der Bundesrepublik  
Deutschland

an

The Rt. Hon. Margaret Thatcher, MP, Prime Minister

---

Dear Prime Minister,

ich danke Ihnen sehr für Ihr Schreiben vom 23. Dezember 1982  
und für Ihre liebenswürdige Aufforderung, zu Gesprächen nach  
Chequers oder London zu kommen.

Wie ich Ihrem Büro schon mündlich habe mitteilen lassen,  
nehme ich gerne Ihre Einladung nach Chequers für Freitag,  
den 04. Februar 1983 an. Ich glaube wie Sie, dass es überaus  
nützlich ist, wenn wir unsere in London und Bonn begonnenen  
Gespräche zu aktuellen Fragen in kleinem Kreise fortsetzen.

Ich würde mich gerne, wenn Sie damit einverstanden sind,  
von Herrn Bundesminister Genscher begleiten lassen.

Weitere Einzelheiten könnten auf den üblichen Wegen besprochen  
werden.

Ich benutze diese Gelegenheit, um Ihnen, dear Prime Minister,  
meine sehr guten persönlichen Wünsche für das Jahr 1983 zu  
erneuern.

Mit freundlichen Grüßen bin ich Ihr

Helmut Kohl.



Sehr geehrte Herr

von

Herrn Dr. Helmut Kohl, Bundeskanzler der Bundesrepublik  
Deutschland

an

Herrn Dr. Hans-Joachim Lauth, Minister für  
Europäische Angelegenheiten

07. JAN 1983

OK 12 1 2 3 4 5 6 7 8 9

Herrn Dr. Helmut Kohl

Ich danke Ihnen sehr für Ihr Schreiben vom 27. Dezember 1982  
und für Ihre liebevollste Aufmerksamkeit, zu der ich mich  
gerne bereit erkläre.

Wie ich Ihnen schon mündlich habe mitteilen lassen,  
nehme ich gerne Ihre Einladung nach Chaux-de-Fonds  
am 04. Februar 1983 an. Ich glaube wie Sie, dass es  
wichtig ist, wenn wir unsere in London und Bonn begonnenen  
Gespräche zu aktuellen Fragen in kleinen Kreisen fortsetzen.

Ich würde mich freuen, wenn Sie damit einverstanden sind,  
von Herrn Bundesminister Genscher begleitet zu werden.

Weitere Einzelheiten könnten auf den üblichen Wegen besprochen  
werden.

Ich danke Sie für Ihre Gefährdung, um Ihnen, Herr Minister,  
meine sehr guten persönlichen Wünsche für das Jahr 1983 zu  
äußern.

Mit freundlichen Grüßen bin ich,  
Ihre

Helmut Kohl



T 3/82

2

Translation

The Federal Republic of Germany  
The Federal Chancellor

Bonn, January 1983

The Rt.Hon. Margaret Thatcher, M.P.  
Prime Minister of the United Kingdom  
of Great Britain and Northern Ireland  
London

Prime Minister

for information.

MS

A.J.C. 19/1

Dear Prime Minister,

Thank you very much for your letter of 23 December 1982 and for your kind invitation to come to Chequers or London for talks.

As your office has already been verbally informed, I am pleased to accept your invitation to Chequers for Friday, 4 February 1983. I believe, as you do, that it would be extremely useful for us to continue in a small group the dialogue we began in London and Bonn on current problems.

we  
your  
earlier.  
AJC 19/1

With your permission I should like Federal Minister Genscher to accompany me on my visit.

Further details could be discussed through the usual channels.

Taking this opportunity to renew, dear Prime Minister, my personal best wishes for 1983, I remain,

Yours sincerely,  
(sgd.) Kohl





BUNDESREPUBLIK DEUTSCHLAND  
DER BUNDESKANZLER

Bonn, den 7. Januar 1983

Ihrer Exzellenz  
Frau Margaret Thatcher, MP  
Premierminister des  
Vereinigten Königreichs  
Großbritannien und Nordirland

L o n d o n

Dear Prime Minister,

ich danke Ihnen sehr für Ihr Schreiben vom 23. Dezember 1982 und für Ihre liebenswürdige Aufforderung, zu Gesprächen nach Chequers oder London zu kommen.

Wie ich Ihrem Büro schon mündlich habe mitteilen lassen, nehme ich gerne Ihre Einladung nach Chequers für Freitag, den 4. Februar 1983 an. Ich glaube wie Sie, daß es überaus nützlich ist, wenn wir unsere in London und Bonn begonnenen Gespräche zu aktuellen Fragen in kleinem Kreise fortsetzen.

Ich würde mich gerne, wenn Sie damit einverstanden sind, von Herrn Bundesminister Genscher begleiten lassen.

Weitere Einzelheiten könnten auf den üblichen Wegen besprochen werden.

Ich benutze diese Gelegenheit, um Ihnen, dear Prime Minister, meine sehr guten persönlichen Wünsche für das Jahr 1983 zu erneuern.

Mit freundlichen Grüßen  
bin ich Ihr





10 DOWNING STREET

From the Private Secretary

5 January 1983

VISIT BY CHANCELLOR KOHL: 4 FEBRUARY

Tim Flesher wrote to Brian Fall on 30 December.

Chancellor Kohl has now confirmed that he wishes to be accompanied on the visit next month by Herr Genscher. Otherwise he proposes to bring only a very limited number of officials.

BFI  
It would be helpful if in the course of the next ten days or so you could let me have your views on:

- (a) A list of subjects for the talks which, when the Prime Minister has been consulted, could be put to the Germans;
- (b) How the subject matter might be divided between
  - (i) the *tete-a-tete* which the Prime Minister and the Chancellor will doubtless have at the beginning of the programme;
  - (ii) the parallel meeting which the Foreign and Commonwealth Secretary will probably want to have with Herr Genscher;
  - (iii) the working lunch which would follow and which would probably be attended by, in addition to the four principals, the bare minimum of officials from each side;
  - (iv) a further meeting of the four principals, if one is necessary, after lunch.

Perhaps we could leave the question of which officials should participate in the various meetings until we have a clearer idea of the subjects to be covered. It is evident in any case that given Chancellor Kohl's wish, which I am sure the Prime Minister will want to meet, that the supporting staff should be kept to a minimum, the scope for participation by officials will be very much more restricted than in the case of a normal bilateral summit.

A. J. COLES

Roger Bone, Esq.,  
Foreign and Commonwealth Office.





FLVE 80  
GERMANY

10 DOWNING STREET

*From the Private Secretary*

30 December, 1982

B/F  
EJW

The Prime Minister wrote to Chancellor Kohl on 23 December inviting him to visit this country on 4 February for talks followed by lunch at Chequers. Herr Zeller of Chancellor Kohl's office rang today to say that the Chancellor would be pleased to accept the Prime Minister's invitation for talks along the lines suggested by the Prime Minister. He will be in touch with this office in the early part of next week to discuss details and, in particular, whether the Chancellor should be accompanied by Herr Genscher.

TIMOTHY FLESHER

B. Fall, Esq.,  
Foreign and Commonwealth Office

RJ



CONFIDENTIAL



Foreign and Commonwealth Office

London SW1A 2AH

29 December 1982

Dear John,

Anglo-German Summit

In your letter of 30 November you confirmed that the Prime Minister would like the next Anglo-German Summit to take place on 22 April.

We have now learnt from our Embassy in Bonn that Chancellor Kohl is also happy with this date.

Clearly, however, we cannot go firm until after the Federal Elections. We shall therefore contact the Federal Chancellor's Office again shortly after 6 March.

Yours ever

John Adams

for

(R B Bone)  
Private Secretary

A J Coles Esq  
10 Downing Street

CONFIDENTIAL



Germany visit by Chancellor Kohl (Pt 7)

Foreign Office  
London W1A 2YD







10 DOWNING STREET

THE PRIME MINISTER

23 December 1982

*My dear Chancellor Kohl.*

At our meeting in Bonn on 29 October you suggested that it might be useful to get together with a minimum of supporting staff to discuss commercial policy and the problem of protectionism. We have since had some discussion of these matters at the European Council. But I should find it valuable to take the discussion further and also to continue our exchanges of view on other international and Community issues.

I should be delighted if you were able to visit this country on 4 February for talks followed by lunch at Chequers (we could have another session of talks in the afternoon if we needed it). If that date is inconvenient another possibility would be talks and lunch at No.10 Downing Street on 26 January.

I do hope that one or the other date will be possible for you.

*Warm regards.*

*Yours sincerely*

*Margaret Thatcher*

His Excellency Herr Dr. Helmut Kohl

*SUBJECT*  
*cc Master*  
*Ops*

*genny*  
*file DA*  
**PRIME MINISTER'S**  
**PERSONAL MESSAGE**  
**SERIAL No. T240/82**

*AB*





Foreign and Commonwealth Office

London SW1A 2AH

20 December, 1982

*John T. ...*

*Type letter*

*A.S.C. 20/12*

Invitation to Chancellor Kohl, Mr Fanfani and Mr Lubbers

Thank you for your letters of 10 and 16 December. I enclose a draft of a message the Prime Minister might like to consider sending to Chancellor Kohl.

We have sent instructions to our Embassies in Rome and The Hague to suggest visits by Mr Fanfani on 25 February and Mr Lubbers on 2 or 4 March respectively.

I am copying this letter to the recipients of yours.

*John ...*  
*R B Bone*

(R B Bone)  
Private Secretary

A J Coles Esq  
Private Secretary  
10 Downing Street



DRAFT: minute/letter/teleletter/despatch/note

TYPE: Draft/Final 1+

FROM: Prime Minister

Reference

DEPARTMENT:

TEL. NO:

SECURITY CLASSIFICATION

TO: Chancellor Kohl

Your Reference

- Top Secret
- Secret
- Confidential
- Restricted
- Unclassified

Copies to:

PRIVACY MARKING

SUBJECT:

.....In Confidence

CAVEAT.....

*We have had oppor since had some discussion of these matters at the European Council. but I should still find it valuable to take the discussion further and also to continue our exchanges of views on other international and Community issues.*

*At our meeting in Bonn*

*You may remember suggesting when we met on 29 October that it might be useful to get together with a minimum of supporting staff to discuss commercial policy and the problem of protectionism.*

*Both questions have been discussed since then on various occasions. I still feel that we should meet to talk about these matters and world economic and financial issues in general. I would also like to discuss with you the key Community issues and international political and defence matters. If it suited you, I should be delighted to arrange for talks followed by lunch at Chequers on 4 February or, if that is not possible, talks and lunch at No 10 Downing Street on either 24 or 26 January.*

*I should be delighted if you were able to visit this country on 4 February for talks followed by lunch at Chequers (we could have another session of talks in the afternoon if we needed it). If that date is inconvenient another possibility would be talks and lunch at No. 10 Downing Street on 26 January. I do hope that one or the other date will be possible for you.*

*A.T.C. 20/12.*

Enclosures—flag(s).....



Germany da



10 DOWNING STREET

*From the Private Secretary*

16 December 1982

Invitations to Chancellor Kohl, Mr. Fanfani and Mr. Lubbers

I have seen John Kerr's letter of 14 December.

I note that the Chancellor of the Exchequer would find a meeting with the Italians in early March rather inconvenient. I am afraid that we examined earlier the possibility of this Summit taking place in April but there is no day during that month which is convenient to the Prime Minister.

One way of resolving the Chancellor of the Exchequer's difficulty might be to offer the Italians 25 February (one of the dates we were proposing to offer to the Dutch) for the Summit and then give the Dutch a choice of 2 or 4 March. I shall need to know fairly quickly if this suggestion, which I understand from John Kerr would be convenient to the Chancellor, is acceptable to the Italians. If so, and on the assumption that the Prime Minister will need to offer Mr. Fanfani dinner that evening, we shall have to take steps to postpone another dinner to which the Prime Minister is committed on that day.

I am sending a copy of this letter to John Kerr (HM Treasury), John Rhodes (Department of Trade), Robert Lowson (MAFF), Richard Mottram (Ministry of Defence) and Richard Hatfield (Cabinet Office).

A. J. COLES

R.B. Bone, Esq.,  
Foreign and Commonwealth Office.

B



*Restricted*

Treasury Chambers, Parliament Street, SW1P 3AG  
01-233 3000

14 December 1982

Roger Bone Esq.  
Foreign and Commonwealth Office

*New Roger,*

**INVITATIONS TO CHANCELLOR KOHL, MR FANFANI AND MR LUBBERS**

We spoke about John Cole's letter of 10 December to Brian Fall. I write now to confirm that a full dress bilateral "summit" with the Italians, involving the Chancellor in rounds of talks with his Italian opposite number, would be rather inconvenient for him in early March. If we are correct in our guess at the nature of the occasion, he would be most grateful if you and No.10 could consider alternative dates, perhaps in April.

The Chancellor assumes that the proposed visit by Mr Lubbers in late February or early March would be rather different, and that Mr Lubbers would not be accompanied by his Finance Minister, Dr Ruding, who was here for talks with the Chancellor last week.

Copies of this letter go to John Coles at No.10 and Richard Hatfield at the Cabinet Office.

*Yours ever,*

*J O Kerr*

J O KERR  
Principal Private Secretary



Germany, Chancelleries Vint, Pt 9

15 DEC 1982

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10 DOWNING STREET

From the Private Secretary

10 December 1982

Dear Brian,

Invitations to Chancellor Kohl, Mr. Fanfani and Mr. Lubbers

During our visit to Copenhagen for the European Council last week there was some discussion of the desirability of inviting to London early next year the Federal German Chancellor, the Italian Prime Minister and the Netherlands Prime Minister. I have since consulted the Prime Minister about this and write to convey her views.

Chancellor Kohl

The Prime Minister would welcome a visit by the Federal German Chancellor in January or early February. You will recall that Chancellor Kohl suggested to the Prime Minister on 29 October that he should pay a working visit "with a minimum of supporting staff" to discuss commercial policy and the problem of protectionism. We were not able to fit such a visit into the Prime Minister's diary before Christmas but could now offer talks and lunch at Chequers on 4 February (which would be our first preference) or talks and lunch at 10 Downing Street on either 24 or 26 January. The Prime Minister would hope to discuss with Herr Kohl not just commercial policy but world economic and financial questions as well as key Community issues and international political and defence matters.

B/F | I should be grateful if you could put these possibilities to the Germans and let us know their response. If you consider that a personal letter from the Prime Minister to the Chancellor conveying this invitation would be useful, could you kindly let me have a draft.

Mr. Fanfani

It is our turn to host the next Anglo/Italian bilateral summit. As you know, we were unable to offer a summit in the latter part of this year and this upset the Italians to some extent. The Prime Minister would like to take the opportunity of the change of administration in Italy to issue an early invitation to Mr. Fanfani to visit London. The best day for the summit would be Wednesday 2 March. Again, if you believe a written invitation desirable, perhaps you would kindly supply a draft.

/ Mr. Lubbers

M



Mr. Lubbers

Roger Bone's letter of 1 December refers. The Prime Minister did not convey an invitation to Mr. Lubbers during the European Council in Copenhagen, but would be glad to offer talks followed by lunch on either 25 February or 4 March. Again, could you either put these dates to the Dutch or supply a draft letter from the Prime Minister to Mr. Lubbers.

I am sending a copy of this letter to John Kerr (H.M. Treasury), John Rhodes (Department of Trade), Robert Lowson (Ministry of Agriculture, Fisheries and Food), Richard Mottram (Ministry of Defence) and Richard Hatfield (Cabinet Office).

*Yours ever*

*John Colson.*

Brian Fall, Esq.,  
Foreign and Commonwealth Office.



CONFIDENTIAL



10 DOWNING STREET

*From the Private Secretary*

Sir Robert Armstrong

Proposed visit by Chancellor Kohl

I have consulted the Prime Minister about the possibility of a visit by Chancellor Kohl early next year (your minute of 9 December refers). Mrs. Thatcher would be grateful if you would tell Herr Grimm when you see him on Saturday that she very much hopes that it will be possible for the Federal Chancellor to pay a working visit to the United Kingdom in the first few weeks of the New Year, and that we shall be in touch shortly to suggest some dates.

I am afraid that I am not yet in a position to put forward alternative dates. If possible, we want so to arrange the visit that it can take place at Chequers. But I shall follow this up in the usual way.

A. J. COLES

10 December, 1982.

CONFIDENTIAL



PRIME MINISTER

Overseas Visitors: January-March, 1983

I should be grateful to know your views on the possibility of three overseas visitors coming here in the period January-March. They are:

- a) Chancellor Kohl;
- b) Mr. Fanfani;
- c) Mr. Lubbers.

I attach your forward diary. At present you have no foreign visitors in January, only one (Mr. Sadruddin) in February - and in March there are no foreign policy engagements until the European Council on 21/22 March, followed by a State Visit from 22-24 March.

Chancellor Kohl

He may be very important to us next year. He ought to be close to us on trade and defence issues and could play a key role in getting a satisfactory solution to our budget problem. If we do not achieve this during the German Presidency (January-June), goodness knows what will happen under the Greek Presidency.

The Chancellor is keen to come here again. You will recall that he suggested a visit before Christmas to discuss internal trade problems but we decided that we had seen enough of him for the time being. You will wish to bear in mind that we have fixed the date of the next Anglo/German Summit for 22 April but there is much to be said for getting Chancellor Kohl over here well before his Elections on 6 March.

In his minute, attached, Sir Robert Armstrong argues for a January visit. I do not think it need take all day. You could offer talks and lunch on 24 or 26 January. May we arrange this?

/Mr. Fanfani ...

*I think he would like to come*

*To Chequers. This would be convenient for...*

*day's visit - depending on whether...*

*4 Feb Chequers*



Mr. Fanfani

The Italians were upset that we did not offer them a second bilateral this year, though I am sure it was right to avoid one. It is our turn to host the Summit. The Italians used to be good allies on the budget and other EC issues. They have been less so of late, partly because some people in Rome have been working for a close alliance with the French. With the new Italian administration, we have an opportunity to change this. It would be helpful to issue an early invitation to Mr. Fanfani to visit London for the Summit, perhaps on Wednesday, 2 March. This would mean giving up most of the day. May we arrange this?

Yes not

Mr. Lubbers

Not quite so important, but he has already been to Paris and will shortly go to Bonn. It will be useful to discuss with him EC issues, especially the budget, and INF deployment. We could confine this to talks followed by lunch. You could do this on ~~4~~ February, 25 February or 4 March. May we offer him a choice of these dates?

Yes not

If we can get these three visits in place, we should be able to work out a game plan for our approach to the budget problem in the first half of next year. I should be grateful for a word with you about this sometime.

A.J.C.

9 December, 1982



Wednesday 5 January

000 Meeting at Chequers  
 Colleagues for lunch at Chequers  
 1630 Depart Chequers  
 Marriage of Figaro with Sir Robert Armstrong +DT

Thursday 6 January

Lunch in flat for colleagues

Friday 7 January - Monday 10 JanuaryTuesday 11 January

1200 Backbench Committee Officers

Wednesday 12 January

0900 First meeting for Y.C. speech

Thursday 13 January

1500-1600 Address Lobby - H/C or No. 10  
 Keep free for speech

Friday 14 January

Keep free for speech  
 Surgery

Saturday 15 January

CTU Conference, Bristol

Sunday 16 January

Hair  
 Brian Walden Interview

Monday 17 January

0830-1000 Hair  
 1200 Chief Whip  
 1215 Chief Whip, Home Secretary, Chairman and Lord President  
 1300 Lunch for colleagues  
 1830-2000 Reception for Federation of Conservative Students +DT

Tuesday 18 January

0900 Questions briefing team  
 1200 Backbench Committee Officers  
 1300 Lunch and Questions briefing  
 1515 Questions

Wednesday 19 January

Lunch for Merchant Bankers  
 1730 Chancellor of the Exchequer  
 1930 for 2000 Dinner with Lord Plowden (informal) +MS - 23 Chester Square

Thursday 20 January

0830 Hair  
 0900 Questions briefing team  
 1030 Cabinet  
 1300 Lunch and Questions briefing  
 1515 Questions  
 Afterwards Depart for Tour  
 Reception: Leeds and Pudsey



Friday 21 January

Regional Tour: Shipley, Keighley, Sowerby, Huddersfield

Saturday 22 January

-

Sunday 23 January1000 June Mendoza - Chequers  
Supper with Sir Ian and Lady Percival +DT - 9 King's Bench  
WalkMonday 24 January0830 Hair  
1000 First Meeting for Institute of Directors speech  
1200 Chief Whip  
1215 Chief Whip, Chairman, Home Secretary and Lord President  
1300 Lunch for colleagues  
Attend dinner given by Conservative Philosophy GroupTuesday 25 January0900 Questions briefing  
1300 Lunch and Questions briefing  
1515 QuestionsWednesday 26 January1730 Lunch at Christies - King Street  
Chancellor of the ExchequerThursday 27 January0830 Hair  
0900 Questions briefing team  
1030 Cabient  
1300 Lunch and Questions briefing  
1515 Questions  
Keep free for speechFriday 28 January0930 Sir Robert Armstrong  
Address Glasgow Chamber of Commerce +DTSaturday 29 January

Finchley Dinner Dance +DT

Sunday 30 January

-

Monday 31 January0830 Hair  
1200 Chief Whip  
1215 Chief Whip, Home Secretary, Lord President and Chairman  
1300 Lunch for colleaguesTuesday 1 February0900 Questions briefing team  
1200 Backbench Committee Officers  
1300 Lunch and Questions briefing  
1515 QuestionsWednesday 2 February1730 Lunch with Committee of London Clearing Banks  
Chancellor of the Exchequer



Thursday 3 February

0830 Hair  
 0900 Questions briefing  
 1030 Cabinet  
 1300 Lunch and Questions briefing  
 1515 Questions

Friday 4 February

0930 Sir Robert Armstrong  
 Dinner for Lords Taverners +DT

Saturday 5 February

1230 - 1500 Lunch at Somerville for presentation of Oscar Nemon's  
 sculpture

Sunday 6 February

1230 Princess Margaret arrives  
 1300 for 1315 Lunch at Chequers +DT

Monday 7 February

0830-1000 Hair  
 1200 Chief Whip  
 1215 Chief Whip, Home Secretary, Lord President and Chairman  
 1300 Lunch for colleagues  
 Look in at Christopher Murphy's Dinner - H/C  
 Winter Ball

Tuesday 8 February

0900 Questions team  
 0930-1015 Prince Sadruddin Aga Khan  
 1300 Lunch and Questions team  
 1515 Questions  
 Dinner with SAS +DT & IG

Wednesday 9 February

1730 Chancellor of the Exchequer

Thursday 10 February

0830 Hair  
 0900 Questions briefing team  
 1030 Cabinet  
 1300 Lunch and Questions briefing  
 1515 Questions

Friday 11 February

0930 Sir Robert Armstrong  
 Keep free for speech

Saturday 12 February

YC Conference, Bournemouth +DT

Sunday 13 FebruaryMonday 14 February

0830-1000 Hair  
 1200 Chief Whip  
 1215 Chief Whip, Home Secretary, Lord President and Chairman  
 1300 Lunch for colleagues  
 1800-1930 Present awards for the Manufacturing Management  
 Fellowship Scheme



Tuesday 15 February

0900 Questions briefing  
1200 Backbench Committee Officers  
1300 Lunch and Questions briefing  
1515 Questions

Wednesday 16 February

1030-1100 Say a few words of welcome at the Food from Britain  
Conference +TF - Barbican Conference Centre  
1730 Chancellor of the Exchequer

Thursday 17 February

0830 Hair  
0900 Questions briefing  
1030 Cabinet  
1300 Lunch and Questions briefing  
1515 Questions  
Afterwards Depart for tour +DT

Friday 18 February

Regional Tour of North West +DT

Saturday 19 February

Look in at Local Government Conference Lunch

Sunday 20 February

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Monday 21 February

0830-1000 Hair  
1200 Chief Whip  
1300 Lunch for colleagues  
Keep free for speech

Tuesday 22 February

0900 Questions briefing team  
1300 Lunch and Questions briefing  
1515 Questions  
Keep free for speech

Wednesday 23 February

1500 Arrive Albert Hall  
1515 Address Institute of Directors +DT  
1600 Depart  
1730 Chancellor of the Exchequer

Thursday 24 February

-

Friday 25 February

Surgery  
1900 for 1930 Dinner: Academy of Film and Television Arts (informal) -  
195 Piccadilly

Saturday 26/Sunday 27 February

Chequers



Monday 28 February

1000 First meeting for Central Council speech  
1830-2000 Address Centre Policy Study Groups followed by  
reception at Hyde Park

Tuesday 1 March

1200 Backbench Committee Officers

Wednesday 2 March

Italian Bilaterals?

Thursday 3 - Sunday 6 March

Monday 7 March

0830 Hair  
1200 Chief Whip  
1215 Chief Whip, Home Secretary, Lord President and Chairman  
1300 Lunch for colleagues  
Finchley AGM +DT

Tuesday 8 March

0900-0930 Questions briefing team  
1300 Lunch and Questions briefing  
1515 Questions  
1830 Party for the Lobby +DT

Wednesday 9 March

1730 Chancellor of the Exchequer

Thursday 10 March

0830 Hair  
0900 Questions briefing team  
1030 Cabinet  
1300 Lunch and Questions briefing  
1515 Questions  
Depart for Tour

Friday 11 March

Regional Tour of Peterborough, Isle of Ely, New  
Cambs/Suffolk Coast

Saturday 12/Sunday 13 March

Chequers

Monday 14 March

0830 Hair  
1000 First meeting for CBI speech  
1200 Chief Whip  
1215 Chief Whip, Home Secretary, Lord President and Chairman  
1300 Lunch for colleagues  
Visit to the Greenwich Museum +DT

Tuesday 15 March

0900-0930 Questions briefing team  
1300 Lunch and Questions briefing  
1515 Questions



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Wednesday 16 March

1130 Present Export Awards for Smaller Manufacturers  
1730 Chancellor of the Exchequer

Thursday 17 March

0830 Hair  
0900 Questions briefing team  
1030 Cabinet  
1300 Lunch and Questions briefing  
1515 Questions  
1600-1800 Euro Council briefing meeting

Friday 18 March

0930 Sir Robert Armstrong  
1000-1100 Keep free for Central Council speech  
Surgery

Monday 21 March

European Council, Brussels

Tuesday 22 March

European Council, Brussels  
State Banquet +DT - Buckingham Palace

Wednesday 23 March

1200 Talks  
1300 Lunch in honour of State visitor +DT  
1730 Chancellor of the Exchequer  
Keep free for Central Council speech

Thursday 24 March

0830 Hair  
0900-0930 Questions briefing team  
1030 Cabinet  
1300 Lunch and Questions briefing  
1515 Questions  
State Banquet +DT

Friday 25 March

0930 Sir Robert Armstrong  
Keep free for Central Council speech

Saturday 26 March

Central Council speech +DT - London

Monday 28 March

0830 Hair  
1000 First meeting for Cutler's Feast speech  
1200 Chief Whip  
1215 Chief Whip, Chairman, Home Secretary and Lord President  
1300 Lunch for colleagues

Tuesday 29 March

0900 Questions briefing team  
1200 Backbench Committee Officers  
1300 Lunch and Questions briefing  
1515 Questions  
Metropolitan Special Branch Centenary Ball - Grosvenor Es



Wednesday 30 March

1245 for 1300 Lunch for Area Women Chairmen  
1730 Chancellor of the Exchequer  
Questions briefing team

Thursday 31 March

Morning Hair  
Questions

Friday 1 April - Friday 8 April

RECESS

Monday 11 April

1000 First meeting for Scottish Conference speech

Wednesday 13 April

1200-1300 Look in at Alistair MacAlpine's Reception for members  
of Federation of Civil Engineers - 17 Great College St.

Friday 15 April

1500-1730 Half day visit to London marginals  
Finchley  
1800 Photographs with candidates  
1930 Address Candidates Conference Dinner - Crest Hotel,  
South Mimms, Potters Bar

Tuesday 19 April

1930 for 2000 CBI Dinner +DT (black tie) Hilton Hotel

Wednesday 20 April

0900 First meeting for Women's Conference speech

Thursday 21 April

Chancellor Kohl to Chequers

Friday 22 April

German bilaterals - Chequers

Monday 25 April

1730-1745 West German Bankers and Industrialists +S/S Industry

Tuesday 26 April

1800-2000 Look in if possible at Primrose League Reception -  
Carlton Club

Thursday 27 April

Cutler's Feast (speech) - Sheffield

Friday 29 April

Regional Tour: Loughborough, SE Derbyshire, Beeston  
and Derby +DT

Monday 2 May - BANK HOLIDAY

Wednesday 4 May

1200 Talks  
1300 Lunch for President Machel of Mozambique +DT



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Thursday 5 May  
1830-2000 Reception for NSPCC

Friday 6 May  
Surgery  
Finchley Cocktail Party

Monday 9 May  
1830-2000 General Reception +DT

Friday 13 May  
Scottish Conference +DT - Perth

Saturday 14 May  
1200 Return from Scotland  
Name Locomotive after Airey Neave - Liverpool St. Station

Monday 16 May  
1000-1045 First meeting for Welsh Conference speech

Wednesday 18 May  
1300 Lunch for Yugoslav Prime Minister (or 15 June)  
Keep free for speech

Saturday 21 May  
1415 Women's Conference (speech) - Royal Festival Hall

Monday 23 May  
1000-1030 Keep free for 1900 Club Speech

Monday 6 June  
European Council, Bonn

Tuesday 7 June  
European Council, Bonn  
State Banquet at Buckingham Palace +DT

Wednesday 8 June  
Lunch at No. 10 +DT  
National Union Executive Committee Dinner +DT

Thursday 9 June  
State Banquet +DT

Friday 10 June  
1800 Surgery  
Open Art and Crafts Exhibition during 1300th  
anniversary celebrations - St. Mary's Rectory, Finchley

Saturday 11 June  
Trooping the Colour +DT

Monday 13 June  
1830-2000 Reception for Entrepreneurs

Wednesday 15 June  
1200 Talks  
Lunch for Yugoslav Prime Minister (or 18 May)  
Keep free for speech



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Thursday 16 June

Depart for Tour +DT

Friday 17 June

Regional Tour +DT

Saturday 18 June

Welsh Conference +DT

Tuesday 21 June

1830-2000

Look in at Reception given by MPs of West Midlands  
Conservative Association for Regional and local  
press, radio and TV - Terrace, H/CThursday 23 June

1930 for 2000

Dinner with 1900 Club (black tie) - Dorchester

Friday 24 June

EDU Conference

Dinner for European Democratic Union

Wednesday 29 June

Blue Ball +DT?

Monday 4 JulyLunch with Lord Rothschild to celebrate Marcus  
Rothschild's 70th BirthdaySaturday 9 July1300th anniversary of St. Mary's Finchley  
Finchley Carnival?Monday 11 July

Finchley Dining Club Dinner - Room A, H/C

Wednesday 13 July

Lord Clark's 80th Birthday lunch

Thursday 14 July

Depart for Tour +DT

Friday 15 July

Regional Tour of West Midlands +DT

Friday 29 July

Take Salute at Royal Air Force College Cranwell 1983

Saturday 3 September

Balmoral (or 10/11 Sept.)

Saturday 10 September

Balmoral (or 3/4 Sept.)

Tuesday 11 - Friday 14 October

Party Conference, Blackpool

Thursday 20/Friday 21 October

Regional Tour: Western Area +DT



Tuesday 25 October

State visit Dinner +DT

Wednesday 26 October

Lunch for State visit +DT

Thursday 27 October

State Visit Dinner +DT

Friday 28 October

Finchley Ladies Lunch  
Surgery

Friday 11 November

Half day visit to London marginals

Saturday 12 November

Finchley autumn fair  
British Legion Remembrance Concert

Sunday 13 November

Remembrance Sunday +DT

Monday 14 November

Lord Mayor's Banquet +DT

Thursday 17/Friday 18 November

Regional Tour of S.E. Area +DT

Wednesday 23 November - 30 November

CHOGM

Friday 2 December

Attend Churchill Songs at Harrow School +DT

Monday 5/Tuesday 6 December

European Council, Athens

Saturday 10 December

Distribute fuel vouchers, Finchley

Thursday 15/Friday 16 December

Regional Tour, Wessex Area +DT





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PRIME MINISTER

Proposed Visit by Chancellor Kohl

When you saw the German Federal Chancellor on 29th October he suggested that he should come to London "with a minimum of supporting staff" to discuss commercial policy and the problem of protectionism. Your other commitments have not permitted you to respond to this suggestion up to now; and the Chancellor is likely to be entirely preoccupied with his election campaign by (say) the beginning of February. It is, therefore, I suggest, appropriate to consider now whether to arrange for such a meeting in January. If so, I should have the chance to take the first step when I see Herr Grimm of the Chancellor's office at the next meeting of the Personal Representatives of the Economic Summit Heads of Government in France next Saturday, 11th December.

2. The Federal Chancellor's suggestion is further evidence that, for both electoral and substantive reasons, he wants to build up a close personal relationship with other Western leaders and especially with President Reagan, President Mitterrand and yourself. He would no doubt welcome a positive reply to his suggestion; indeed, a failure to follow it up might be unfavourably interpreted. But would such a visit be to the United Kingdom's advantage?

3. On this point, I have consulted the Permanent Secretaries of the Departments chiefly concerned with these matters. Our belief is that a meeting with the Chancellor in the New Year would be beneficial, and would justify the call on your time provided that the scope of the meeting were broadened to cover:-

- (i) not just commercial policy but the whole world economic and financial scene as part of the preparations for the Williamsburg meeting;
- (ii) key Community issues which are important to both Government for electoral reasons and to the Germans because of their Presidency.





CONFIDENTIAL

4. So far as commercial policy is concerned, we can take some credit for what the Germans acknowledged to be Mr. Rees's helpful role at the GATT Ministerial meeting. The Germans are also likely to regard us as allies in resisting a drift of French policy into protectionism, including protectionism within the Community market. It would be to our advantage to go along with this in order to protect our own exports to France and to reduce the risk of a trade war with the United States. You could use the opportunity to try to secure German help in putting effective pressure on Japan.

5. More widely on international matters, we have a common interest with the German government in securing an increase in IMF quotas and a successful economic summit in Williamsburg. The Federal Chancellor could well play a significant role at Williamsburg. His recent visit to Washington was more successful than expected, and he is reported to have got on well with President Reagan.

6. On Community issues, the Chancellor is likely to wish to secure our co-operation to ensure a successful German Presidency. We need a satisfactory budget settlement for 1983 and later. On this point the Germans hold the key. The new Kohl Government has endorsed the decision by its predecessor that the German contribution to United Kingdom refunds in 1983 should be only 25 per cent of their normal VAT share. If they go into their election campaign with this as part of their platform, it will be that much more difficult to ride them off it afterwards. Their predecessors' decision to limit the German contribution to only 50 per cent of normal in 1982 nearly destroyed the agreement, and the French and Italians have made it clear that a satisfactory settlement for 1983 and later will not be possible if the Germans carry out their threat and go down to 25 per cent. A visit by the Federal Chancellor in January would provide a unique opportunity to convince him that an intransigent line will guarantee a disaster in the middle of the German Presidency.

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7. I should be glad to know whether you would wish me to take further the possibility of a visit by the Federal Chancellor when I see Herr Grimm on Saturday.

RA

Robert Armstrong

9th December 1982

CONQUEROR

CONFIDENTIAL



MR COLES

BILATERALS WITH GERMANY AND ITALY

As promised I attach a copy of the 1983 diary.

I can offer you the following dates:-

Friday, 4 February

(Prime Minister free all day except  
for dinner in the evening)  
(Date offered to the Netherlands)

Friday, 25 February

(Prime Minister free all day but not  
for dinner).  
(Date offered to the Netherlands)

Wednesday, 2 March

Friday, 4 March

(Date offered to the Netherlands)

Wednesday, 9 March

The Prime Minister is free for dinner on all the preceding  
evenings except Tuesday, 8 March.

*es.*

6 December, 1982



CONFIDENTIAL



Germany  
Leeds

10 DOWNING STREET

*From the Private Secretary*

30 November 1982

ANGLO/GERMAN SUMMIT

Thank you for your letter of  
29 November.

The Prime Minister would like the next Anglo/German Summit to be confined to Friday, 22 April. The best arrangement will probably be for Chancellor Kohl to arrive at RAF BENSON on Friday morning and proceed straight to Chequers. On past form, the proceedings can probably be completed in time for the Chancellor to leave early on Friday evening. But we can leave detailed arrangements until later.

A. J. COLES

Roger Bone, Esq.,  
Foreign and Commonwealth Office.

CONFIDENTIAL

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PRIME MINISTER

ANGLO-GERMAN SUMMIT

When in Bonn we agreed provisionally that the next Summit should be held in the U.K. on 22 April. This is a Friday. On previous occasions you have sometimes begun the Summit the previous evening and let it run until lunchtime the next day. But it might be more convenient if Chancellor Kohl arrived at R.A.F. Benson on Friday morning, came straight to Chequers and stayed with you there most of the day.

Agree to confine the Summit to 22 April?

*Yes*

*A.J.C.*

29 November 1982



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Caroline

Foreign and Commonwealth Office

Can we discuss pl?

London SW1A 2AH

A.J.C. 29/11

29 November, 1982

*Yes*

Anglo-German Summit: Spring 1983

At the end of the Plenary Session of the Anglo-German Summit on 28-29 October, the Prime Minister proposed that the next Summit should be held in the UK in April. Chancellor Kohl suggested 22 April and the Prime Minister took note.

I should be grateful to know whether 22 April is convenient for the Prime Minister - in which case we should let the Germans know. Would the Prime Minister prefer the Summit to take place inside one day (as at Chequers in March 1982) or begin one evening and end around lunchtime on the second day (as in Bonn last month)? If the latter were more convenient, would the Prime Minister envisage beginning the Summit on 21 April?

*Yes*

(R B Bone)  
Private Secretary

A J Coles Esq  
Private Secretary  
10 Downing Street



5410 5/10/82

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PART 6 ends:-

Asc to Hatfield 11.11.82

PART 7 begins:-

F20 to Asc 29/11



