

PART 9

Confidential Filing

Chancellor Kohl's visit to UK
April 1983, and subsequent
UK visits.

GERMANY

PART 1: May 1979

PART 9: January 1985

Referred to	Date	Referred to	Date	Referred to	Date	Referred to	Date
24.1.85.		\ / PT 9 GNDS / \					
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PREM 19/1507

NB Briefing for PM's Meeting with
Chancellor Kohl at Chequers on
18 May 1985 is to be found in
files at back of this file.

PART 9 ends:-

CDP to FCO 29/11/85

PART 10 begins:-

Bonn Tel No. 991 20/11/86

Subject

cc Master.

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file

EL/BM

bc PC

10 DOWNING STREET

From the Private Secretary

29 November 1985

**ANGLO-GERMAN SUMMIT:
PLENARY SESSION**

I enclose a record of the Plenary Session of the Anglo-German Summit on 27 November. I am grateful to Mr. Dain for providing a draft.

I am copying this letter and enclosure to Rachel Lomax (Treasury), Richard Mottram (Ministry of Defence), John Mogg and Matthew Cocks (Department of Trade and Industry) and Michael Stark (Cabinet Office).

(Charles Powell)

Colin Budd, Esq.,
Foreign and Commonwealth Office.

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BW

CONFIDENTIALRECORD OF THE PLENARY SESSION OF THE ANGLO-GERMAN SUMMIT HELD
AT NO. 10 DOWNING STREET AT 1100 ON WEDNESDAY 27 NOVEMBER 1985Present

Prime Minister	Chancellor Kohl
Sir Geoffrey Howe	Herr Genscher
Mr. Heseltine	Dr. Woerner
Mr. Channon	Herr Schlecht
Officials	Officials

The Prime Minister welcomed Chancellor Kohl and his colleagues. The meeting came at an important juncture, after the Geneva Summit and before the Luxembourg European Council. She and the Chancellor had reviewed the economic situation in the two countries, noting that the report of the Five Economic Institutes was optimistic about the prospects of the German economy. The outlook for the United Kingdom economy for the coming year was also encouraging.

The Prime Minister thanked the Chancellor for the Federal Republic of Germany's decision to maintain its abstention on the Falklands in the United Nations.

The United Kingdom hoped to sign an agreement with the United States before Christmas setting the framework for British participation in SDI research. The final details were now being negotiated.

Both sides welcomed the result of the Geneva Summit. Of particular significance was the fact that the Joint Statement issued by President Reagan and Mr. Gorbachev appeared to open the way for negotiations on intermediate nuclear weapons despite the continuing stalemate on START and SDI. But expectations had been created that concrete results would be achieved before the next Summit. This could increase the Soviet Union's scope to portray the SDI as the main obstacle to progress towards reduction in nuclear weapons.

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As regards the forthcoming European Council in Luxembourg, they had agreed that there was no need for Treaty amendment on monetary issues. The United Kingdom and FRG were the only member states without exchange control and the only two with freedom of capital movement. They had agreed that unanimity must be preserved on all matters to do with taxation. They had also discussed improved consultation arrangements for the European Assembly. These must leave the Council of Ministers with the last word.

Chancellor Kohl thanked the Prime Minister for her hospitality and welcome. He also attached special importance to close consultation at the present juncture. The Geneva Summit opened the possibility for a new era in East-West relations. As we approached the further United States/Soviet summits planned for 1986 and 1987 detail would become increasingly important. The Europeans, especially the United Kingdom and Germany, must work closely together. Our security could not be separated from that of the United States. History had shown that United States policy was not always consistent, and this made a European voice the more important. Transatlantic consultations must continue to be close. The United Kingdom and Germany must also consult closely on security matters.

The Chancellor saw psychological importance in a successful outcome for the Bundestag vote extending national service from 15 to 18 months. The climate had changed in the FRG. In March there had been large demonstrations against the measure. But public apprehensions had calmed. He hoped for a good majority in the Bundestag on a measure that would help the FRG's contribution to NATO.

The Chancellor praised the contribution of British Forces Germany and said he hoped to visit BAOR in the spring. This would be an opportunity to demonstrate publicly Germany's appreciation of BFG's role. He also attached importance to the contribution of American forces. The Prime Minister proposed that she and the Chancellor should pay a joint visit

to BFG at the time of their next regular meeting.

On European Community matters the Chancellor said that the Luxembourg Council marked a decisive moment for the Community. Everything possible should be done to make it a success. The internal market was a part of the Treaty of Rome and an impetus must be given to its completion. The United Kingdom and Germany were largely in agreement. He agreed that it was premature to consider amendments to the monetary provisions of the Treaty. Freedom of capital movements and convergence of economic policies had not yet been fully achieved, although some progress had been made. On standards he was concerned that there should be no attempt to move towards the lowest common denominator. The two governments took different views of the role of the European Parliament. He hoped the United Kingdom could accept the minimal proposal that was on the table. Now that the Parliament was universally elected, it was right that it should play a fuller role. He hoped for a step forward in Luxembourg. This European Council was of special importance for the FRG, whose links with the West were the basis for peace in Europe. The more Germany was tied to the West, the better for Europe. It was his intention to create as many links as possible, so that they could not be undone later. He looked for the support of Germany's friends in this.

The Chancellor congratulated the Prime Minister on the Anglo-Irish Agreement, which had Germany's full support. It was in Europe's wider interest that the question should be settled satisfactorily. Germany admired the resolution and courage which the British and Irish Governments had shown.

In the coming years it would be especially important to maintain close Anglo-German relations. "Family" differences might arise, but there was far more to unite than divide us. If there were differences, they should be cleared up quickly in discussion.

The Prime Minister thanked the Chancellor for his support over the Irish Agreement. She acknowledged that much hinged on close Anglo-German relations. She welcomed the fact that Britain and Germany saw eye to eye on many issues, in particular the importance of Alliance solidarity and the maintenance of an area of stability in Europe. This was also of comfort to those on the other side of the European divide.

FOREIGN AFFAIRS

Sir Geoffrey Howe noted that many of these points had also been covered in his discussion with Herr Genscher and added his appreciation for the German position on the Falklands.

On the European Community, he and Herr Genscher were agreed that, if there were to be progress at the Luxembourg Council, it would be necessary to focus on key issues. Anglo-German consultation so far had been close and should be maintained up to and during the Council. It was important that the meeting should not be derailed by surprises.

His discussion with Herr Genscher on the question of amending the monetary provisions had echoed that between the Prime Minister and the Chancellor. They were agreed on the need to work for convergence of economic policies but to resist new transfers of resources to Southern Member States. They both believed that the objectives set for the structural funds should be maintained. On the internal market they agreed that the aim should be to establish a "market (rather than "area") without internal frontiers", that is to say they were concerned with an economic entity rather than questions of police and frontier control. He had explained to Herr Genscher the importance for the United Kingdom of unanimity on questions of human, animal and plant health, and Herr Genscher had explained similar German concerns about the regulation of craft guilds and professions. On the European Parliament, it had been agreed that there should be no attempt to go beyond the text tabled by the Presidency. It had been agreed that

the Council should reduce the burden of regulations on small and medium-sized enterprises and that there should be a unit to monitor deregulation. It had been noted that the Community was close to agreement on a text on political cooperation. Herr Genscher had observed that the German language should be an official language of political cooperation. The United Kingdom saw practical difficulties arising if German were to be used at all levels.

Agreement had been reached on a series of measures to promote youth contacts, which was being publicly announced.

Herr Genscher had nothing to add to this report.

DEFENCE

Mr. Heseltine said he and Dr. Woerner had discussed the Strategic Defence Initiative, the European Fighter Aircraft and Westlands Helicopters.

On SDI research Mr. Heseltine had explained the United Kingdom's determination to ensure that as a result of any agreement with the United States technological transfer was equitable and that the scale of British participation reflected British capabilities. He had reached agreement in principle with the United States Defence Secretary and the details would be settled shortly in further discussions. He expected a formal agreement to be concluded soon.

On the EFA he and Dr. Woerner had agreed on the importance of abiding by the timetable for further work which had been agreed. Anything likely to introduce delay should be referred urgently to Ministers. They had discussed the recent French approach proposing co-operation on aspects of EFA and Rafale and had no objection in principle to this. But no firm proposal had been made by the French side. They had an open mind about possibilities for co-operation if real common interests could be identified. The similar approach from Mr. Weinberger was an example of the results which European

co-operation could bring. There could be possibilities for United States co-operation, provided it involved a genuine high technology flow of benefit to both sides. This would be explored further with the Italians and Spanish.

The two Ministers had agreed that the future of Westlands Helicopters had important implications for future procurement policy in both countries. The United Kingdom and FRG were the two largest customers. The role governments could play in the future of a private company was limited. But they had agreed to hold a meeting in London on 29 November to be attended by the National Armaments Directors and MBB, Aerospatiale and Agusta. Speed was needed and opportunities should not be missed. Westlands should be pressed to keep an open mind about offers which might be comparable with the offer from Sikorsky.

Dr. Woerner endorsed this report.

The Prime Minister noted that on MBFR there was agreement between the United Kingdom and the FRG on how to proceed and that the Americans had been persuaded to endorse the Anglo-German initiative.

Chancellor Kohl emphasised that he would like to see a European solution to the Westlands problem. It was important not to become more dependent on the United States. The FRG had opted for development of the next generation of Airbus so as not to have to rely on purchases over the next ten years from the United States. He valued the friendship of the United States, but business was business and Europe needed an alternative.

He wished also to mention a "point of detail". The FRG was a relatively small country with a high population and was full of military installations. There were environment problems, caused for example by low flying, which were a "running sore" in public opinion. The Bundeswehr observed strict rules over the use of firing ranges: Sunday firing was

prohibited. He would welcome it if Ministers of Defence could examine the training arrangements by British Forces Germany and take account of political considerations. The matter should not be left only to military officers, who were not always sensitive to "changes in psychology", and did not need to present themselves to the electorate. Training and its effect on the environment caused trouble at constituency level in the FRG. The Prime Minister expressed reservations about any further restrictions on military training, which could undermine the effectiveness of our forces. She agreed, however, that Ministers of Defence should examine the problem.

TRADE

Mr. Channon said that completion of the internal market was a high priority. The United Kingdom and Germany would work together to see the process was not blocked. But they were worried about the French tendency to link completion with external protectionism and with transfer of resources to Mediterranean countries (Herr Schlecht interjected "all countries"). This should be resisted.

On international trade they had discussed the prospects for a new GATT Round. The preparatory process should begin this week with the aim of reaching maximum consensus among participants.

It was agreed that Japan should be encouraged to adopt firm import targets. It was necessary to open the Japanese market further and to maintain pressure for a realistic Yen exchange rate.

On Tin the two sides had different legal advice, but the practical problems still needed to be tackled. The Commission had offered its good offices to seek a solution.

INDUSTRY

Herr Schlecht said that both a new GATT round and the completion of the internal market had a macro economic dimension in giving an impulse to growth and employment. It was not right to link the internal market with other fields. It had its own importance for growth in the European Community.

He had agreed with Sir Brian Hayes that the Eureka meeting at Hamburg had been a success. It was important to ensure that activities within the Eureka framework were market-oriented although some projects might require support from public funds.

As the Chancellor had said, the German side saw importance in completing the Airbus family with the TA9 and TAll medium and long range aircraft. Financial priorities needed to be established. The Germans detected reticence on the United Kingdom side over use of public funds for the Airbus family. The Prime Minister commented that, where funds were increased, savings had to be found elsewhere. Chancellor Kohl intervened to underline again the importance he attached to Airbus. When he had taken office much was said about giving up the Airbus project; but he had disagreed and the success measured in terms of orders was now considerable. Orders for the current model so far were already 220. But buyers needed assurance that the Airbus family would continue. United States tactics involved trying to persuade Lufthansa not to buy Airbus. He agreed with the principle that industry should not depend on money from the state. But in this case there might be need to make public funds available. The Prime Minister agreed that we needed a European capability in aircraft manufacture so as not to be dependent on the United States. But she understood that the break-even number of

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planes for the current project to become financially profitable was about 400.

C.D. Powell

29 November 1985

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Foreign and Commonwealth Office

London SW1A 2AH

28 November 1985

Dear Charles,

CRB

Anglo-German Summit

I enclose a draft record of the plenary session held at No 10 on 27 November.

Yours ever,

Colin Budd

(C R Budd)
Private Secretary

C D Powell Esq
10 Downing Street

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DSR 11 (Revised)

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SUBJECT:

.....In Confidence

~~DRAFT~~ RECORD OF THE PLENARY SESSION OF THE ANGLO-GERMAN
 SUMMIT HELD AT NO 10 DOWNING STREET AT 1100 ON WEDNESDAY
 27 NOVEMBER 1985

CAVEAT.....

Present

~~UK~~

~~FRG~~

The Prime Minister

Chancellor Kohl

Sir Geoffrey Howe

Herr Genscher

Mr Heseltine

Dr Woerner

Mr Channon

Herr Schlecht

Officials

Officials

She and the Chancellor

1. The Prime Minister welcomed the Chancellor and his
 colleagues. ~~They had had enjoyable and profitable~~

The meeting came at an important juncture

~~discussions at a critical time~~, after the Geneva Summit
 and before the Luxembourg European Council. ~~They had~~

She & the Chancellor

reviewed the economic situation in the two countries, *noting*

that the report of the 5 Wise Men was optimistic about the

Enclosures—flag(s).....

~~promise~~ ^{outlook for the} future of the German economy, and that the ^{ec} United Kingdom ^{was also promising} was also optimistic for the coming year. Both Governments ~~were concerned about the effect on their exports of the~~ ~~weakening dollar.~~

2. The Prime Minister ^{absent} thanked the Chancellor for the FRG's decision to maintain its ~~vote~~ ^{position} on the Falklands in the UN.

3. On ~~SDI research~~ ^{"regulating its posture"} the UK hoped to sign an agreement with the United States before Christmas ^(setting the framework for British participation in SDI research.) and was now ~~negotiating~~ ^{The} final details ~~were now being negotiated.~~

^{Both sides welcomed} 4. The Prime Minister and Chancellor were ~~pleased~~ ^{at the} result of the Geneva Summit but realised that ~~much needed~~ ^{expectations had} ~~been created but concrete results would be achieved~~ to be done before the next summit. They noted that the Joint ~~Statement made no link~~ ^{appeared to open the way for} between negotiations on intermediate nuclear weapons and progress on SDI. ^(despite the continuing stalemate on START)

^{the following Europe in discussion} 5. As regards work towards the ~~Luxembourg Council~~ they had agreed that there was no need for Treaty amendment on ~~monetary policy~~ ^{issues} at this stage. Progress in other fields ~~was needed first.~~ ^{member states} The UK and FRG were the only ~~partners~~ without exchange control and the only two with freedom of capital movement. They ^{had} agreed that unanimity ~~was~~ ^{must be} ~~needed~~ ^{preserved (all matters to do with)} on ~~taxation questions.~~ They had also discussed ^{Assembly} the question of powers for the ~~European Parliament.~~ ^{These} ~~improved contribution arrangements~~ ^{must leave the Council of Ministers with the} ~~best work.~~

~~interest~~
Of particular significance was the fact that the Joint Statement issued by President Reagan & Mr. Genscher

6. Chancellor Kohl thanked the Prime Minister for her hospitality and welcome. He also attached special importance to close consultation ^{at} in the present juncture. The Geneva Summit opened the possibility for a new era in East-West relations. As we approached the further US/Soviet summits planned for 1986 and 1987 detail would become increasingly important. The Europeans, especially the ^{UK} and Germany, must work closely together. Our security could not be separated from that of the United States. History had shown that US policy was not always consistent, and this made a European voice the more important. Transatlantic consultations must continue to be close. The ^{UK} and Germany must also consult closely on security.

7. The Chancellor saw psychological importance in a successful outcome for the Bundestag vote extending national service from 15 to 18 months. The climate had changed in the FRG. In March ~~300,000~~ ^{there} had ^{been large} ~~demonstrated~~ ^{riots} against the measure. But public apprehensions had calmed. He hoped for a good majority in Parliament on a measure that would help the FRG's contribution to NATO.

8. The Chancellor praised the contribution of British Forces Germany and hoped ^{said he} in the spring to visit BAOR.

This would be an opportunity to ~~give public demonstration~~ ^{a publicly} ~~of the importance~~ ^{Germany's appreciation} of BFG's ^{role.} He also attached importance to the contribution of American forces.

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8 The Prime Minister ~~later~~ ^{at the time of her recent public meeting} proposed that she and the Chancellor should pay a joint visit to BFG. Her ~~suggestion~~ ^{idea} was warmly accepted by the Chancellor. There was advantage, he said, in being seen there together and with full publicity.

9 Community matters
 10 On Europe, the Chancellor said that the Luxembourg Council marked a decisive moment for the Community. Everything ^{possible} should be done to make it ^{a success} succeed. The Foreign Ministers had worked closely together to prepare for it.

11 The internal market was a part of the Treaty of Rome and ^{an important impetus must be given to} progress was needed towards its completion. The UK and Germany were largely in agreement. He agreed that monetary policy should come at the end of the road, not the beginning. Freedom of capital movements and convergence of economic policies had not ^{yet} been ^{fully achieved,} obtained, although some progress had been made. But he thought that the "force of facts" would bring advances.

12 On product standards ^{he was concerned that} some risks must be accepted. If the founding fathers had thought ^{taken no} only of risks there ^{were} should be no ^{attempts} ^{to} more ^{progress} towards the lower common denominator.

13 Equally on institutions some risks must be taken or there would be no movement. ^{The two countries} ~~He~~ took different views of the role of the European Parliament. He hoped the UK could accept the minimum ^{at present} that was on the table. In addition to the legal aspects, ^{also} the Chancellor thought ~~it~~

it was premature to consider amendments to the monetary provisions of the Treaty

12
 16. The Prime Minister thanked the Chancellor for his support over the Irish Agreement. ~~It was more difficult for the UK than for the Irish Republic.~~ She acknowledged that much hinged on close Anglo-German relations. She welcomed the fact that ^{both elements} ~~we~~ saw eye to eye on many issues, in particular the closeness of Alliance solidarity and the maintenance of an area of stability in Europe. This was also of comfort to those on the other side of the European divide.

FOREIGN AFFAIRS

17. Sir Geoffrey Howe noted that many of these points ^{also} had been covered in his discussion with Herr Genscher and added his appreciation for the German position on the Falklands.

18. On the European Community, which had occupied most of his discussion with Herr Genscher, ^{they} ~~they~~ ^{were} ~~τ~~ agreed that, if there were to be progress at the Luxembourg Council, it ^{would be} ~~was~~ necessary to focus on key issues. Anglo-German consultation so far had been of ^{close} ~~much~~ value and should be maintained up to and during the Council. It was important that the meeting should not be derailed by surprises.

^{the question of monetary}
 19. His discussion with Herr Genscher on monetary ^{policy} ~~policy~~ ^{had} ~~τ~~ echoed that between the Prime Minister and the Chancellor. They ^{were} ~~τ~~ agreed on the need to work for

he and
 Herr Genscher

convergence of economic policies but to resist new transfers of resources to Southern Member States. They both believed that the objectives set for the structural funds should be maintained. On the internal market they agreed that the aim should be to establish a "market (rather than "area") without internal frontiers", ^{that is to say} ~~ie~~. they were concerned with an economic entity rather than questions of police and frontier control. He had explained to Herr Genscher the importance for the UK of unanimity on questions of human, animal and plant health, and Herr Genscher had explained similar German concerns about the regulation of craft guilds and professions.)

20. On the European Parliament, it had been agreed that there should be no ^{attempt to go} movement beyond the text tabled by the President.)

21. It had been agreed that the Council should reduce the burden of regulations on small and medium-sized enterprises and that there should be a unit to monitor deregulation.)

22. It had been noted that the Community was close to agreement on a text on political cooperation, but that the French ^{was insisting} ~~tended to insist~~ on a secretariat of a kind the UK did not favour.)

23. Herr Genscher had observed that the German language should be an official language of political cooperation. The UK saw practical difficulties arising if German were to be used at all levels.

15 Agreement Had been reached

24. They had agreed on a series of measures to promote youth contacts, which was being publicly announced.

16

25. Herr Genscher had nothing to add to this report.

DEFENCE

26. Mr Heseltine said he and Dr Woerner had ^{discussed} covered ^{the Strategic Defence Initiative} SDI, the European Fighter Aircraft and Westlands Helicopters.

27. On ^{SDI} ~~SDI~~ Mr Heseltine had explained the ambitions of the UK ^{to ensure} that as a result of any agreement with the United States technological transfer was equitable and that the scale of British participation reflected British capabilities. He had reached agreement in principle with the ^{US} American Defence Secretary and this would be put into effect through further ^{discussions} negotiations. A "strategic defence office" in the Ministry of Defence would carry forward discussions with the Pentagon. He expected a formal agreement to be concluded soon.

28. On the EFA he had agreed with Dr Woerner ^{and} that they should stick to the Agreement and to the timing for development of the aircraft. They had also agreed that anything likely to ^{introduce delay} frustrate timing should be referred urgently to Ministers.

Proposed cooperation
 29. They had discussed the recent French approach *and* ~~on the aspects of EFA and Rafale at~~ *which* had no objection in principle. But there had to be a set ~~of~~ *no* firm proposals. ~~They had an open mind about~~ *had been made by the French side* possibilities for cooperation if real common interests could be identified.

30. The similar approach from Mr Weinberger was an example of the results which European cooperation could bring. There could be possibilities for US cooperation, provided it involved a genuine high technology flow of benefit to both sides. This would be explored further with the Italians and Spanish.

14
 31. The two Ministers had agreed that the future of Westlands Helicopters *had major implications for the* ~~involved major concerns for~~ *in both countries* procurement policy. The UK and FRG were the two largest customers. The role governments could play in the future of a private company was limited. But they had agreed to aim for a meeting in London on 29 November to be attended by the National Armaments Directors and MBB, Aerospatiale and ^dAgusta. Speed was needed and opportunities should not be missed. Westlands should be pressed to keep an open mind about offers which might be comparable with the *offer from* ~~firm~~ Sikorsky.

35. Dr Loerner endorsed this report.

32. 16 The Prime Minister noted that on MBFR there was agreement between the UK and the FRG on how to proceed and that the Americans had ~~now~~ *followed suit* been persuaded to ~~adopt~~ their approach. *endorse the Doyle-Green initiative*

38. ¹⁷ Chancellor Kohl emphasised that he would like to see a European solution to the Westlands problem. It was important not to become more dependent on the United States. The FRG had ^{gone} ~~decided~~ for development of the next generation of Airbus so as not to ^{have to} ~~rely~~ on purchases over the next ten years from the United States. He valued the friendship of the US, but business was business and Europe needed an alternative.

18
34. He wished also to mention a "point of detail". The FRG was a relatively small country with a high population and was full of military installations. There were environment problems, caused for example by low flying, which were a "running sore" in public opinion. The Bundeswehr observed strict rules over the use of firing ranges: Sunday firing was prohibited. He would welcome it if Ministers of Defence could examine the training arrangements by British Forces Germany and take account of political considerations. The matter should not be left only to military officers, who were not always sensitive to "changes in psychology", and did not need to present themselves to the electorate. Training and its effect on the environment caused trouble at constituency level in the FRG.)

36. ^{did not agree, military commanders} The Prime Minister ~~said~~ that ~~Generals were good at~~ ^{insensitive to} ~~psychology;~~ ^{it was} ~~part of the science of victory. was knowing~~ the ~~enemy's~~ psychology. [The enemy could attack at weekends: one should not forget the attack on Afghanistan during the Christmas holiday.] She agreed ^{however}

that Ministers of Defence should examine the problem.

TRADE

¹⁸
38. Mr Channon said that completing ^{of} the internal market was a high priority and ['] The UK and ^{together} Germany would work to see the process was not blocked. But they were worried about the French tendency to ~~see~~ ^{complete} link with external protectionism ^{and with} of transfer of resources to Mediterranean countries (Herr Schlecht interjected "all countries"). This should be resisted. ~~They agreed to seek a liberal Community without too much intervention. The implementation of the Commission's White Paper on the internal market should be looked at carefully.~~

¹⁹
38. On international trade they ^{had} discussed the prospects for a new GATT Round. The preparatory process should begin this week with the aim of reaching maximum consensus among participants.

²⁰
38. It was agreed that Japan should be encouraged to adopt firm import targets. ~~We might consider whether she should set her own targets rather than the Community seek to impose them.~~ ^{She might be encouraged} It was necessary to open the Japanese market further and to ^{maintain} ~~mention~~ pressure for a realistic Yen exchange rate. ~~Japan should be encouraged to set import targets.~~

²¹
39. On Tin the two sides ~~now~~ had different legal advice, but the practical problems still needed to be tackled. The Commission had offered its good offices to

seek a solution.

INDUSTRY

21
48
40. ^{a new round} Herr Schlecht said that both GATT and the completion of the internal market had a macro economic dimension in giving an impulse to growth and employment. It was not right to link the internal market with other fields. It had its own importance for growth in the European Community.

22
42. He had agreed with Sir Brian Hayes that the Eureka meeting at Hamburg had been a success, and that now it ~~needed to be translated into practical movement.~~
~~It was important to focus principally on~~ ^{although some} Products close to industry were needed. ^{Some} projects further from the marketplace might require ^{support from} public funds.
 43-23
 As the Chancellor had said, the German side saw importance in completing the Airbus family with the TA9 and TAll medium and long range aircraft. Financial priorities needed to be established. The Germans detected reticence on the UK side over ^{use} ~~deployment~~ of public funds for the Airbus family.

It was important to ensure that activities within the Eureka programme were market-oriented

47. The Prime Minister commented that, where funds were to be increased, savings had to be found elsewhere.)

49. Chancellor Kohl intervened to underline again the importance he attached to Airbus. When he had taken office much was said about giving up the Airbus project; but he had disagreed and the success ^{measured in terms of} in orders was now

considerable. Orders for the current model so far were already 220. But buyers needed assurance that the Airbus family would continue. US tactics involved trying to persuade Lufthansa not to buy Airbus. He agreed with the principle that industry should not depend on money from the state. But in this case there might be need to make public funds available. ⁴⁵ The Prime Minister agreed that we needed a European capability in aircraft manufacture so as not to be dependent on the United States. But she understood that the break-even number of planes ^{to} ~~at which~~ the current, to become a project was financially profitable was about 400.

Ch

CCPC



Foreign and Commonwealth Office

London SW1A 2AH

27 November 1985

CIP
27ki*Dear Charles,*Anglo-German Summit: CAP Reform

The Prime Minister mentioned her concerns over the CAP and the need for radical reform to both President Mitterrand and M. Santer. In the formal briefing for the Anglo-German Summit, we have concentrated on the main issue at the European Council, namely the Inter-Governmental Conference. However, the Foreign Secretary thinks that the Prime Minister might wish to take the opportunity of registering her concern about the CAP with Chancellor Kohl, not least because it was the attitude of the FRG which prevented the Council agreeing the price cuts needed for cereals this year.

The Foreign Secretary recommends that the Prime Minister might raise the CAP after she and the Chancellor have dealt with the IGC issues. The Prime Minister might refer to:

- (a) our recognition of the political importance of agriculture in the FRG, emphasising that it is important to us too, as it is to most other member states. But the growing problem of surpluses has to be dealt with. It is already the cause of major problems with our trading partners, notably the US.
- (b) the fact that with world patterns of cereals supply and demand changing, the prospect is for surpluses generally increasing at an alarming rate due to advances in technology while demand in third world (and even possibly Soviet) markets contracts as their production increases. This will make the disposal of EC surpluses even more difficult.
- (c) The indefensibility of the grain mountain of 18.2 million tonnes before public opinion and the waste of tax payers' resources, with the costs of intervention storage for all surpluses at £1860 million (7000 DM) and export refunds for their disposal at £3650 (13650 DM).

The Prime Minister might add that she hopes that the United Kingdom and the FRG can work together to remedy this

/ situation;

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situation; that she thinks it essential that she and Chancellor Kohl should remain in close touch about this; and that she hopes that the FRG Government will be able to support the price restraint needed for the effective curbing of surpluses.

I am copying this letter to the Private Secretaries to the Minister of Agriculture, Fisheries and Food, the Chancellor of the Exchequer and Sir Robert Armstrong.

*Yours ever,
L V Appleyard*

(L V Appleyard)
Private Secretary

C D Powell Esq
10 Downing Street

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*from me
per [unclear]*



10 DOWNING STREET

FCO
Cabinet office } all

MOD - E/W relations
&
SDI

DTI } - ~~European
Community.~~

~~Treasury - SDI
E/W
European Community
UNESCO.~~

Subject cc Master

CONFIDENTIAL



Subject cc master

File Lb
L03AQN
cc Sir P Cradock.

10 DOWNING STREET

From the Private Secretary

27 November 1985

SUBJECT cc Master

Dear Colin,

PRIME MINISTER'S MEETING WITH THE FEDERAL GERMAN
CHANCELLOR

I enclose a record of the Prime Minister's tete-a-tete meeting with Chancellor Kohl at the Anglo/German bilateral consultations earlier today. The general tone of the meeting was very friendly. The Chancellor seemed anxious to establish that German and British views were close on most points.

I am copying this letter and relevant parts of the enclosure to Rachel Lomax (H. M. Treasury), John Mogg (Department of Trade and Industry), Richard Mottram (Ministry of Defence) and Michael Stark (Cabinet Office).

Yours sincerely,

CHARLES POWELL

Colin Budd, Esq.,
Foreign and Commonwealth Office.

CONFIDENTIAL

Lb

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RECORD OF A MEETING BETWEEN THE PRIME MINISTER AND THE FEDERAL
GERMAN CHANCELLOR AT 10 DOWNING STREET ON WEDNESDAY 27
NOVEMBER 1985 AT 0930 HOURS

PRESENT

The Prime Minister
Mr. C. D. Powell

Chancellor Kohl
Herr Teltschik

Welcoming Chancellor Kohl, the Prime Minister displayed her copy of the recent biography of him by Messrs. Filmer and Schwan. Unfortunately, she could not read it as it had not yet been translated into English. Chancellor Kohl said that it would shortly be translated into several languages. The authors were left wing journalists who had started out with quite a false impression of him but had been converted along the way. The book was a best seller and making a lot of money; indeed, a film was being made of it.

German Internal Situation

The Prime Minister invited the Chancellor to describe the current situation in the Federal Republic. Chancellor Kohl said that the German Government had a difficult year behind it but had come through well. 1986 would be a good year. Indeed, things were already going very well. His Party was in good shape. He was in good shape. He could not complain about anything, except that he rather wished there was an election next year. The Prime Minister said that she had seen the recent report of the Five Economic Institutes on the impressive performance of the German economy. She noted one point on which the Federal Republic and the United Kingdom had a similar problem: both were succeeding in creating new jobs but the population of working age was also rising rapidly with the consequence that unemployment remained high. Chancellor Kohl said that the employment situation in the Federal Republic was improving. He believed that by the time of the 1991 elections unemployment would no longer be significant as a political issue. He estimated that between 500 and 700
/thousand

thousand of the two million registered unemployed were not actively seeking work because the social security system was too generous. If he and the Prime Minister were to go off on holiday to Majorca (the Prime Minister paled) they would find the restaurants and hotels full of large numbers of German unemployed.

Falklands

Chancellor Kohl said that the Prime Minister would have no problems with the Federal Republic over the Falklands vote at the United Nations. They would abstain as in the past. We could rely on them. The Prime Minister thanked the Chancellor warmly.

Participation in SDI Research

Chancellor Kohl said that the question whether the Federal Republic should participate in the US research programme into strategic defence was a delicate political issue in the Federal Republic. The Social Democrats and the Greens were firmly opposed and the FDP rather frightened. They were never a very heroic Party. But for him participation was a cardinal issue and the Federal Republic would certainly take part though he hoped to minimise the political consequences. His aim was to reach a decision to open formal negotiations with the United States by 15 December. It was important to show that Germany was not alone in Europe in following this course. He understood that the United Kingdom had already taken a decision to participate which was helpful. He expected Italy to follow suit. He had heard the day before that the Netherlands would probably also do so. French firms were already concluding contracts even though President Mitterrand had said that France would not participate. He thought it would be helpful if the United Kingdom and the Federal Republic could proceed in a co-ordinated fashion.

The Prime Minister said that the United Kingdom had already virtually completed negotiations with the United States though a number of details remained to be settled. She /hoped

hoped that we would sign an agreement within two weeks. She would ensure that the Chancellor was informed before we signed. She had no hesitation about agreeing to participate in this work. Indeed, she thought it essential to do so if European countries were to remain in the forefront of technological advance.

East/West Relations

The Prime Minister said that the issue of the Strategic Defence Initiative had clearly been left completely unresolved at the US/Soviet Summit. The decision to allow the INF negotiations to go ahead nonetheless was a positive feature, and offered a prospect of demonstrable progress before the next Summit meeting. It was essential that there should be some such progress if expectations created by the recent Summit were not to be disappointed. It was clear that President Reagan and Mr. Gorbachev had got on well together, and that Gorbachev had been able to witness for himself the President's determination to press ahead with the Strategic Defence Initiative. He would have understood the strength of the President's political position. There also appeared to have been some slight progress over Afghanistan, with the Russians showing signs of wanting to withdraw.

Chancellor Kohl said that he was very satisfied with the outcome of the Summit. It was clear that the President (and just as important, Mrs. Reagan) wanted to move ahead on arms control. The President felt that the time had come for him to stamp his image on history as a peace-maker. He himself had constantly advised the Russians that if they wished to improve relations with the United States they should take the opportunity of doing so while there was a strong President since he had much greater room for manoeuvre. Gorbachev, on the other hand, was in a more difficult position. Although he had settled quickly into the saddle, his position was not yet fully secure. Expectations of improved economic performance had been created which Gorbachev would find it difficult to deliver. The economic situation of the Soviet Union was miserable and the change in the demographic balance between
/the European

the European and Asian population created new problems. He did not think that Gorbachev could go back to Stalin's methods. He also faced difficulties in Eastern Europe where the Soviet Union could no longer exert the total control which it once had. The economic performance of several of the East European countries was better than that of the Soviet Union and showed up the inadequacies of the latter.

The Prime Minister thought that Gorbachev would proceed through discipline. She thought he realised intellectually that the Soviet economy would not improve unless there was more freedom. But he could not take the political risk of introducing such freedom. Public opinion exerted some influence in the Soviet Union and East Europe. She recalled Kadar's recent remark to her: "Our peoples demand peace and security and we have to give it to them." Chancellor Kohl agreed. There was also an impressive resurgence of religion in East Europe.

The Prime Minister asked whether Chancellor Kohl thought that Mr. Gorbachev would take a more reasonable attitude to human rights questions and allow emigration of more Soviet Jews. Chancellor Kohl thought that President Reagan had handled the issue skilfully at the Summit. He expected Gorbachev to let out some of the more famous names.

European Community

The Prime Minister said that she understood that the views of Britain and German officials on a number of issues being considered by the Inter-Governmental Conference were quite close. In particular, we agreed that there was no reason to amend the Treaty on monetary matters. To do so would cause immense problems, particularly for the Bundesbank, which carried heavy responsibility for Europe's financial reputation. This was not an issue for the Community to play with. She knew that M. Delors took a different view but we should not be swayed by that.

/ Chancellor Kohl

Chancellor Kohl said that on this point the Federal Republic and the United Kingdom were more or less in agreement. At his recent meeting with M. Delors, he had put forward two points which Delors could not dispute. First, the Community had not yet fulfilled the requirements of the existing Treaty on monetary matters. For instance there was no free movement of capital. Secondly, there was no convergence of economic policies. Italy's economic policy was far removed from that of the Federal Republic. It was essential to have greater convergence place before attempts were made to deal with monetary matters in the Treaty.

Chancellor Kohl continued that he was very much in favour of completing the internal market. German insurance companies were screaming their heads off but he was nonetheless determined to press ahead. There were difficulties for the Federal Republic over standards. They did not want to adopt the lowest common denominator of South European standards. Others should be encouraged to raise their standards to North European levels. The Prime Minister agreed. She was concerned that the whole nature of the Community would change with Spanish and Portuguese accession. The qualified majority system would give less protection than before to the North European countries. Chancellor Kohl said that he was not afraid. Britain and Germany could achieve a lot together by discreet co-operation.

The Prime Minister said that she was very much opposed to the Commission's proposals for harmonising taxation. Chancellor Kohl agreed that this was the most difficult issue of all and had to be left until the end. It was vital to preserve unanimity in this field.

At this point Foreign Ministers joined the meeting.

Chancellor Kohl asked the Prime Minister's views on the various proposals before the Inter-Governmental Conference on the European Assembly. The Prime Minister said that she stood by the proposals she had made at the Milan European Council.

/It was

It was essential to keep decisions in the hands of the Council though there could be improved arrangements for consulting the Assembly before the Council reached decisions. This was a very sensitive issue for the Westminster Parliament and she would not be able to agree to more powers for the Assembly. Indeed, she would much prefer to avoid Treaty amendment so that she would not have to go to Parliament on the issue. The Foreign Secretary said that the latest Presidency text appeared to have majority support. Herr Genscher said that the Italians were arguing that they could not settle for so little. The Prime Minister commented that in that case there would be no agreement.

Chancellor Kohl said that he could understand the Prime Minister's position as it applied to the present. But matters could not rest there indefinitely. The fact was that continental European countries had a less developed parliamentary tradition than the United Kingdom and attached greater importance to the European Assembly. However, he was prepared to accept the Presidency compromise for now as being the most that could be agreed. He was confident that the Italians would not in the end hold out against it. The Prime Minister gave an account of her views on the European Assembly in familiar and robust terms. Herr Genscher said that there was a structural problem in the European Assembly. There was no Government party and therefore no compulsion to form a coalition in support of particular policies. This led the Assembly to adopt some idiotic positions. But its power should not be under-estimated, particularly its right to dismiss the Commission. Chancellor Kohl repeated that he thought the Presidency's minimal proposal would be acceptable.

UNESCO

Chancellor Kohl asked what conclusions the United Kingdom had drawn from the recent UNESCO General Conference. The Prime Minister said that her views of UNESCO had not changed. She believed that the money which the United Kingdom paid to UNESCO could be used much more effectively through the British Council and the BBC Overseas Services. Herr Genscher thought /that there

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- 7 -

that there was now a real prospect of change in UNESCO. Chancellor Kohl said that he was more sceptical. His only question was whether it was wise to take the radical step of withdrawal at this moment. His instinct was against it. He noted that the Swiss attitude had evolved and they were intending to give UNESCO another chance. The Prime Minister repeated that she saw no measurable improvement and no prospect of one. She was not surprised at the Swiss attitude. International organisations were a capital asset for Switzerland. Although the Government had not yet taken a formal decision, her own firm view was that the United Kingdom should go ahead with its decision to withdraw. The burden of proof was on those who wished to reverse that decision.

The meeting ended at 1100 hours.

C.D.T.

27 November 1985



Treasury Chambers, Parliament Street, SW1P 3AG
01-233 3000

26 November 1985

Charles Powell Esq
10 Downing Street
London SW1

CDP
27/11

Dear Charles,

TREATY OF ROME: MONETARY CO-OPERATION

Before her talks with Kohl on 27 November, the Prime Minister should know that the Chancellor was telephoned on Monday by Stoltenberg on the question of a monetary amendment to the Treaty of Rome.

Stoltenberg asked if the British line on this issue remained the same. The Chancellor confirmed that we would be standing firm. Stoltenberg said he was very pleased to hear this.

He added that despite the pasting it had received at ECOFIN, Delors had been to see Kohl with precisely the same draft monetary amendment, and had said that if the monetary amendment was not accepted, the Commission would withdraw all its proposals for amendment to the Treaty. Stoltenberg took a dim view of this. The Chancellor said Delors was clearly bluffing.

*Yours ever
Rachel*

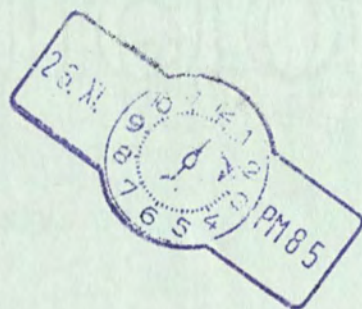
RACHEL LOMAX

cc pg

King

CDP

26/11



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CC PC
BX



Prime Minister

Foreign and Commonwealth Office

A late addition to London SW1A 2AH

to briefs. 26 November 1985

The Germans will abstain on Falklands.

CDP
27/xi

Dear Charles, CDP 26/xi

Anglo-German Summit, 27 November

The German Embassy informed us this afternoon that Kohl intended to raise three additional points with the Prime Minister:

[The Germans often raise this but can be headed off. It would be hugely expensive]

- (a) the FRG's wish to have German accepted, in addition to English and French, as one of the languages officially approved for use in European Political Cooperation (EPC);
- (b) Mitterrand's offers concerning the European Fighter Aircraft (EFA) and the French National Programme (Rafale);
- (c) the NATO Foreign Ministers meeting planned for 12-13 December, and the need to coordinate Alliance strategy after Geneva.

I attach the brief prepared for the Foreign Secretary which covers (inter alia) the use of German in EPC.

The EFA point is covered adequately in the steering brief.

We see the NATO Ministerial as an opportunity to demonstrate solidarity with the United States following the Geneva Summit. At the same time we should project an image of cohesion and consistency in the management of East/West and arms control issues. Without raising expectations too high, we should demonstrate readiness to take opportunities for real progress. The Germans will be keen to sustain the momentum generated by the Summit.

On Falklands/Argentina we have now heard that the Germans will abstain on the Argentine draft resolution, and vote in favour of our amendments.

There have been two last minute changes in the German delegation. I attach up-dated lists:

- Annex A: Official German delegation
- Annex B: attendance at Plenary Session
- Annex C: Guest list for the Prime Minister's lunch.

You will see that Dr Rudolf Morawitz replaces Dr Waldemar Mueller-Thuns (Ministry of Economics), and Dr Alonis Jelonek

/replaces

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replaces Dr Juergen Trumpf (Foreign Ministry),

I am copying this letter to Richard Mottram (Ministry of Defence) and Matthew Cocks (Department of Trade and Industry).

Yours ever,

Colin Budd

(C R Budd)

C D Powell Esq
10 Downing Street

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ANGLO/GERMAN SUMMIT: 27 NOVEMBER:

SECRETARY OF STATE'S MEETING WITH HERR GENSCHER:

EUROPEAN POLITICAL COOPERATION (EPC) TREATY

Objective

1. To agree that EPC Treaty should go to Luxembourg European Council for final decisions.

2. To express sympathy for German concern that German should be used at Ministerial level meetings but discourage them from insisting on use of German throughout EPC.

Line to Take

1. Note wide measure of agreement. Should agree Treaty and subsidiary documents at Luxembourg.

2. Understand all now agree on small Secretariat for EPC. Must be right. Avoid new bureaucracy.



3. (If raised) Quite understand your concern about languages. Of course Ministers must use their own language at EPC meetings. As now, interpretation in all EC languages.

4. But EPC impossible at working level if all nine EC languages used.

- Would require vast Secretariat
- Expense
- Quick reactions impossible
- Underline European diversity
- Exact opposite of Treaty aim to further European identity in international affairs.

Urge you not to insist.

Essential Facts

Now that the original Franco-German proposals for an EPC "Secretariat-General" have been overtaken by the French draft "Act of Union" (to which the Germans are not a party), we are foursquare with the FRG on the EPC Treaty. But Chancellor Kohl has warned Sir J Bullard that he intends to insist that German should become one of the working languages in EPC. At present there is interpretation into all languages at EPC Ministerial



meetings. But texts are in English or French only: partners make their own translations. And at official level all work in EPC is done in either French or English. Apart from the Germans all the non-English or French speakers recognise that this arrangement is essential if EPC is to work at all. The Germans must realise this: they are presumably sabre-rattling for wider purposes.

ANGLO-GERMAN SUMMIT: 27 NOVEMBER

PROPOSED ATTENDANCE AT PLENARY SESSION

UK

Prime Minister

Sir Geoffrey Howe

Mr. Heseltine

Mr. Channon

Sir Julian Bullard
(Ambassador to Bonn)

Mr. Derek Thomas
(DUS/FCO)

Mr. David Nicholls
(DUS/MOD)

Mr. Nigel Brecknell
(US/DTI)

Mr. David Williamson
(DUS, Cabinet Office)

Mr. C.D. Powell

Mr. Bernard Ingham

Mr. David Dain

FRG

Chancellor Kohl

Herr Genscher

Dr. Woerner

Herr Schlecht

Herr Horst Teltschik (Deputy
Secretary, Kanzleramt)

Dr. Gerold von Braunmuehl (Deputy
Secretary, Foreign Ministry)

Dr. Karl-Helmut Schnell (Deputy
Secretary, Ministry of Defence)

Dr. Waldemar Mueller-Thuns (Deputy
Secretary, Ministry of Economy)

Baron Rudiger von Wechmar
(FRG Ambassador)

Plus a maximum of four officials

ANGLO-GERMAN SUMMIT: 27 NOVEMBER

PROPOSED GUEST LIST FOR THE PRIME MINISTER'S LUNCH

UK

Prime Minister
Sir Geoffrey Howe
Mr. Heseltine
Sir Brian Hayes (PUS/DTI)
Sir Clive Whitmore
(PUS/MOD)
Sir Julian Bullard
(Ambassador to Bonn)
Mr. Derek Thomas
(DUS, FCO)
Mr. David Williamson
(DUS, Cabinet Office)
Mr. Charles Powell
(PS/No.10)
Mr. Bernard Ingham
(Press Secretary/No.10)

FRG

Chancellor Kohl
Herr Genscher
Dr. Woerner
Herr Schlecht
Dr. Karl-Helmut Schnell (Deputy
Secretary, Ministry of Defence)
Herr Horst Teltschik (Deputy
Secretary, Kanzleramt)
Baron von Wechmar (FRG
Ambassador)
Dr. Gerold von Braunmuehl (Deputy
Secretary, Foreign Ministry)
Dr. Waldemar Mueller-Thuns (Deputy
Secretary, Ministry of Economics)
Dr. Walter Neuer (Assistant
Secretary, Kanzleramt)
Dr. Jelonek
Herr Ost
Dr. Witte
Herr Ruehle
General Oppermann
Dr. Schomerus

Grimm

Powell

Nicholls

Brecknell

Channon

Heseltine

Prime Minister

Howe

Bullard

Thomas

Williamson

Ingham

Oppermann

Schnell

Mueller-Thuns

Schlecht

Woerner

Kohl

Genscher

von Wechmar

Teltschik

Braunmuehl

Hartmann

Dain

Bitterlich

MR POWELL *EDP*

PRIME MINISTER

ROYAL ACADEMY VISIT - 14.30 HRS, 27 NOVEMBER
PRESS ARRANGEMENTS

You are to accompany Chancellor Kohl to the "German Art in the 20th Century" Exhibition at the Royal Academy which is being held under the patronage of both you and the Chancellor. The Queen Mother is to visit the Exhibition on 26 November. It is a large Exhibition with approximately 300 exhibits sponsored by eight German firms including Lufthansa, Bosch, Hoechst, Siemens and Beck's Bier all of whom have considerable interests in Britain.

You and the Chancellor will be met at the main entrance by the President of the Royal Academy, Mr Roger de Grey, and the Secretary, Mr Piers Rodgers, who will lead you up the main staircase to meet the experts who have organised the Exhibition: Mr Norman Rosenthal, the Exhibition's Secretary; Mr Christos Joachimides (a German art critic); and Miss Mary Anne Stevens of the Academy. They will explain the exhibits they have selected as particularly important from each period represented.

The exhibits are arranged in chronological order and I suggest that in the second gallery photographers and television (one television team and three photographers from each country) be present. Representatives of the sponsoring organisations will be assembled in the penultimate gallery and I suggest a second photographic opportunity at this point. You will leave the Exhibition via The Royal Academy Shop. The Academy are justifiably proud of the

contributions the sales from the shop make to their running costs and you may care to inspect what is on sale. (The turnover of the shop is £660,000 pa and growing.)

On leaving the shop you depart via the main staircase. Members of the public will be present throughout your visit but they will, with the exception of some stragglers, be ahead of you as you progress through the various galleries. I attach a copy of the Academy's publicity brochure which gives a concise note on the Exhibition.

I will be with the photographers. There will be no writing journalists present.

Content to have the two opportunities for photographers?

Michael Horne.

**MICHAEL HORNE
PRESS OFFICE**

26 November 1985



CDJ
27/xi

PM/85/99

PRIME MINISTER

Anglo-German Summit

1. Since you are unable to have a briefing meeting it may be helpful if I set down in writing some recommendations on the handling of the Summit.

2. I see our main objectives as being:

- (a) to establish as much common ground as possible on the approach to the Luxembourg European Council;
- (b) to reach agreement on the way forward for East/West relations, post Geneva;
- (c) to get the Germans to agree to abstain on the Falklands vote in the UN.

3. I recommend that you should start your private meeting with Kohl by touching on the areas of common interest which underlie our relationship with the Germans:

- (a) political philosophy (you might mention the successful CDU/CSU visit);
- (b) defence and security cooperation (In addition to the EFA, and our enduring commitment to forward defence in Germany, you might suggest to Kohl that you and he should make a joint visit to British Forces Germany, at the time of the next bilateral summit);
- (c) Eureka;

/(d)

[This is more for the press conference than the talks]



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(d) the development of contacts between the youth of the two countries (as a result of work put in hand at the last Summit, some modest but useful new measures are to be announced at this Summit).

4. You could then turn to the prospects for the European Council. We have stressed to the Germans at every level, as I did myself when I saw Kohl in Bonn on 3 October, that there must be no repetition of the Franco-German manoeuvres which preceded Milan. They have made it clear that they regret the way that episode was handled, and this time have so far kept in close touch with us.

5. Our aim now must be to convince Kohl, by showing him the extent of the agreement between us, that we must work together to get the right result in the European Council. Our positions on most of the issues are already close. In particular we are agreed that we must get on with completion of the internal market (we both are prepared to consider an extension of majority voting to help achieve that objective); that unanimity must be maintained for all important decisions on the environment and technology; that in any procedure with the European Parliament, the Council must have the last word (see Annex A for a more detailed report on IGC discussion in that area); and that we must join forces to fight off demands from the southern member states for additional resource transfers.

6. You will find that Kohl attaches particular importance to agreement on the political cooperation treaty; some limited treaty change to promote internal market objectives; a procedural change vis a vis the Parliament and some preambular references to European union.

/7.

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7. OD(E) agreed on 20 November that to achieve our internal market objectives we could contemplate, subject to certain safeguards, treaty change to provide for increased majority voting. We see it as essential to maintain unanimity for all measures affecting the rights and interests of employees ("social engineering"), and we must get full protection for our standards of human, animal or plant health. If there is a change to majority voting in some areas of Article 100, however, it is essential that there should be a new article on the environment to ensure that unanimity is maintained for all measures in that area. A great deal of this - but by no means all - is broadly agreed in the conference: we have maintained our general reserve.

8. I hope that you will use this meeting to ascertain Kohl's intentions about inclusion in the Luxembourg conclusions of any reference to the EMS or to economic and monetary union. In ECOFIN we have been able to align ourselves with the Germans in opposing any treaty change in this area. But we are still getting contradictory indications from M. Santer and others of where the Germans are likely to end up. Our aim must be to ensure that the Germans do not collapse on to some language about economic and monetary union which goes further, in the light of earlier statements about this, than we could accept.

9. In case Kohl refers to it, you should also be aware that the French have put forward a draft preamble for the first section of the kind of document which they hope might be agreed at the European Council. We have made it clear to them that we could not accept any text which would bring political cooperation within the ambit of the Treaty of Rome. They agree - and their draft would not have that effect. I shall

/be

[It's awful -
he doesn't
share
show it
to you!]



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shall be letting you have a commentary on this before the Luxembourg meeting. We have reserved our position.

10. You will also want to discuss with Kohl arms control and East/West relations, in the light of the Geneva Summit. You could mention our joint initiative in the MBFR context and compare notes about our participation in SDI research. Domestic political and economic developments in both countries and economic/trade issues are perhaps best left until lunch. Kohl may raise with you UNESCO, restrictions on training by British forces in Germany, German draft-dodgers in ^{Berlin} Britain, and ratification of the additional protocols (covering attacks on civilians) to the Geneva Conventions.

11. When Genscher and I join in it would be useful if you could give us the flavour of the line you will have taken with Kohl on EC matters: Genscher has maverick tendencies - as you will recall, he played an unhelpful role in Milan. We might then have a word about the press conference: I attach at Annex B some notes on which you may find it useful to draw.

12. I am copying this minute to the Private Secretaries of Ministers attending the Summit, and to PS/Sir Robert Armstrong.

GEOFFREY HOWE

Foreign & Commonwealth Office

26 November 1985

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ANNEX A : IGC/EUROPEAN PARLIAMENT

1. Throughout the discussions we have exerted ourselves to ensure that ambitious proposals on the Parliament are ruled out, while making it clear that the governments will only decide whether any treaty change is justified at the end of this process, in the light of precisely what is proposed (and all that is proposed).
2. Three member states put forward proposals on the Parliament. The Italians proposed giving the Parliament a general power to block Community legislation. The Germans proposed an immensely cumbersome conciliation procedure which would have brought decision taking to a halt. The French initially proposed that the Parliament should be enabled, by the vote of an absolute majority of its members, to trigger a shift from unanimity to majority voting in the Council under certain articles of the treaty.
3. In the conference we have been able to erode support for all these proposals. We have made clear that we shall not be prepared to consider anything that would upset the institutional balance and that the Council must have the last word.
4. The Presidency have now put forward a far more modest proposal which would indeed amount to an essentially procedural change.
5. The procedure envisaged would operate in respect only of those treaty provisions which would already provide for qualified majority voting on the internal market. The Parliament could not trigger a shift away from unanimity to majority voting in the Council. That, of course, would be entirely unacceptable, as we have made clear in the conference. In order to propose amendments to a common position of the Council, the Parliament would have to muster a vote of an absolute majority of its members. This is hard to achieve, particularly with the three month time limit for consideration by the Parliament enshrined in this proposal. It is essential, of course, that a time limit should be maintained.

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6. If an absolute majority of the Parliament did wish to propose amendments, the procedure then would depend on whether the Commission maintained its original proposal or made a new proposal. In the latter event the Council would have to decide unanimously if it wished to change the Commission's proposal. That, of course, is already the case under the existing Article 149 of the treaty and amendments the French have proposed would take the procedure, in its final phase, back to the provisions of Article 149.

7. This proposal has been fiercely criticised by the Parliament as continuing to relegate it to a purely consultative role; and by the Italians and Benelux. It also falls well short of the original French and German proposals, though the French and Germans at present are supporting it.

8. In addition, it has been proposed in the conference that the Parliament's assent should be required for changes to the uniform electoral procedure (Article 138), own resources (Article 201), treaty amendment (Article 236), new accessions (Article 237) and new association agreements (Article 238). In the conference we have been able to secure the defeat of most of these proposals, though there is still argument over Article 138, where the Parliament already has a role. The Presidency in the end may propose, as a "minimum" solution, that the Parliament's assent should be required for new accessions and new association agreements.

9. We do not need to take a view on this matter now. These matters will be the subject of further discussion in the conference over the next few days. The Foreign Secretary will make a recommendation in the light of what finally is proposed.

[Even this is hard to accept]

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ANNEX B : NOTES FOR THE PRESS CONFERENCE

(a) East/West Relations and Arms Control (to be updated)

- Valuable to have this chance to take stock together so soon after the Geneva Summit.
- Welcome prospects for improved relations between the United States and more broadly between East and West.
- Particularly welcome new impetus to arms control talks at Geneva and elsewhere.
- Reagan's briefing on 21 November provided confidence for future and demonstrated depth of Alliance consultation.

(b) European Community (may need to be updated in light of IGC, 25-26 November)

- Worked closely together in the intergovernmental conference.
- Will continue to do so at the European Council.
- Both want to see agreement which takes us forward in the Community, speeding up completion of the Common Market with the prospects for prosperity and jobs which that will bring.

(c) Eureka

- Welcome successful outcome of the Ministerial meeting at Hanover.
- As Chairman for next 6 months, we are determined to maintain the momentum of Eureka and create the environment to enable Eureka projects to flourish.

/(d)

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(d) Anglo/German relations

- Defence relationship is of central importance to our two countries and to NATO as a whole.
- We work closely together in the Conference on Disarmament in Europe, and the MBFR negotiations.
- UK's continuing and undiminished commitment to forward defence in Germany is demonstrated by the stationing there of 66,000 British Army and Air Force servicemen.
- (In recognition of BFG's important role, Chancellor Kohl and I have agreed to make a joint visit there at the time of our next bilateral summit in Germany.)
- Look forward to State Visit of President von Weizsaecke.
- In our joint statement on Anglo/German relations at Chequers in May 1984, we surveyed the close links at all levels between the governments and citizens of our countries.
- Stressed the importance of developing contacts between young people.
- Now endorsed new measures to promote youth contacts in different fields and age-groups.

(e) Anglo/Irish Agreement

- Welcomed Federal Government's warm support for Anglo/Irish Agreement.
- Share the hope that the Agreement will contribute to restoring peace and stability in Northern Ireland.

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10 DOWNING STREET

Return to (C) Powell

With the compliments of

B. Ingham

SPCAAC

Prime Minister

YOU MIGHT GLANCE
AT THIS DURING
THE PLENARY. I
HAVE MADE SOME

ANGLO-GERMAN SUMMIT:

SMALL CHANGES
SINCE LAST
NIGHT.

SPEAKING NOTES FOR THE PRESS CONFERENCE

CDP.

I AM PLEASED TO BE ABLE TO WELCOME CHANCELLOR KOHL TO
LONDON FOR THIS BILATERAL CONSULTATION.

IT COMES AT A MOST OPPORTUNE MOMENT,
FOLLOWING AS IT DOES THE US/SOVIET SUMMIT
LAST WEEK, ON WHICH WE HAVE BEEN ABLE TO
COMPARE NOTES: AND A FEW DAYS BEFORE THE NEXT
EUROPEAN COUNCIL IN LUXEMBOURG.

THERE ARE IMPORTANT AREAS OF COMMON INTEREST

BETWEEN THE BRITISH AND GERMAN GOVERNMENTS.

- OUR POLITICAL PHILOSOPHIES ARE VERY
SIMILAR.
- OUR TWO COUNTRIES WORK VERY CLOSELY

TOGETHER IN THE DEFENCE AND SECURITY

FIELD.

THE BRITISH FORCES IN GERMANY REPRESENT OUR
COMMITMENT TO FORWARD DEFENCE.

THERE IS A TENDENCY TO OVERLOOK THE SCALE OF
THIS BRITISH CONTRIBUTION TO EUROPE'S - AND
OF COURSE OUR OWN - DEFENCE, WHICH NOW COSTS
US ABOUT £1 BILLION A YEAR ACROSS THE
EXCHANGES.

- WE ARE WORKING TOGETHER IN THE HIGH
TECHNOLOGY AREA THROUGH THE EUREKA
INITIATIVE, ON WHICH GERMANY RECENTLY
CHAired A VERY SUCCESSFUL MINISTERIAL
MEETING IN HANOVER.

- AND WE ARE TRYING TO DEVELOP CONTACTS
BETWEEN THE YOUTH OF OUR TWO
COUNTRIES.

SOME USEFUL NEW MEASURES ON THIS ARE BEING
ANNOUNCED TODAY.

THE MAIN SUBJECT WHICH WE HAVE DISCUSSED TODAY IS THE
RECENT SUMMIT MEETING BETWEEN THE UNITED
STATES AND THE SOVIET UNION, ON WHICH WE BOTH
ATTENDED PRESIDENT REAGAN'S BRIEFING LAST
WEEK.

WE AGREED THAT THE SUMMIT WAS A SUCCESS, IN
PARTICULAR IN OPENING THE WAY FOR PROGRESS IN
VARIOUS ARMS CONTROL NEGOTIATIONS: INF,
CHEMICAL WEAPONS AND MBFR.

WE WELCOMED THE CLOSE CONSULTATION WHICH THE UNITED STATES HAS CONDUCTED WITH ITS NATO ALLIES, WHICH WILL CONTINUE IN THIS NEXT PHASE.

WE BOTH SUPPORT THE UNITED STATES IN CONDUCTING ITS PROGRAMME OF RESEARCH INTO STRATEGIC DEFENCE AND I EXPLAINED TO THE CHANCELLOR BRITAIN'S INTENTION TO PARTICIPATE IN THAT PROGRAMME.

WE ARE ALSO AGREED IN WANTING TO SEE EXISTING ARMS CONTROL AGREEMENTS, PARTICULARLY THE ABM TREATY AND THE SALT II AGREEMENT CONFIRMED AND STRENGTHENED.

WE NATURALLY DISCUSSED THE PROSPECTS FOR THE EUROPEAN
COUNCIL IN LUXEMBOURG.

WE BOTH HOPE THAT THIS WILL BE A MORE
SUCCESSFUL MEETING THAN THE COUNCIL IN MILAN
LAST JUNE.

THERE ARE A NUMBER OF IMPORTANT ISSUES
IN THE EUROPEAN COMMUNITY WHICH NEED URGENT
ATTENTION SUCH AS REFORM OF THE COMMON
AGRICULTURAL POLICY.

WE SHOULD LIKE TO GET THE MINOR INSTITUTIONAL
PROBLEMS BEFORE THE INTER-GOVERNMENTAL
CONFERENCE OUT OF THE WAY AS SOON AS
POSSIBLE, SO THAT WE CAN CONCENTRATE ON THE
REALLY IMPORTANT ISSUES.

ON A NUMBER OF POINTS OUR POSITIONS ARE QUITE

✓
on

CLOSE.

- WE AGREE ON THE NEED TO GET ON WITH
COMPLETION OF THE INTERNAL MARKET. →
- WE AGREE ON WANTING TO PRESERVE
UNANIMITY FOR ALL IMPORTANT DECISIONS.
- WE AGREE THAT DECISIONS MUST REMAIN
WITH THE COUNCIL, THOUGH THERE CAN BE
IMPROVED PROCEDURES FOR THE ASSEMBLY'S
VIEWS TO BE CONSIDERED.
- WE AGREE THAT THERE IS NO
NEED FOR MONETARY AMENDMENTS TO THE
TREATY.
THERE WILL BE A FURTHER ROUND OF DISCUSSIONS
BETWEEN FOREIGN MINISTERS NEXT WEEKEND.
UNTIL WE KNOW THE RESULTS OF THAT, IT IS TOO
EARLY TO SAY WHETHER DECISIONS AT THE
LUXEMBOURG EUROPEAN COUNCIL ARE FEASIBLE.
WE SHALL MAKE UP OUR MINDS WHEN WE SEE THE

SHAPE OF THE PROPOSALS WHICH THE PRESIDENCY
PUT FORWARD AT LUXEMBOURG.

OTHERWISE WE DISCUSSED THE UNITED NATIONS VOTE ON THE
FALKLAND ISLANDS.

I AM PLEASED TO SAY THAT CHANCELLOR KOHL
ASSURED ME THAT GERMANY WOULD AGAIN
ABSTAIN ON THE ARGENTINIAN RESOLUTION AND
WOULD SUPPORT BRITISH AMENDMENTS WHICH WOULD
RECOGNISE THE FALKLAND ISLANDERS' RIGHT TO
SELF-DETERMINATION.

WE DISCUSSED THE PROSPECTS FOR EUREKA.

THE UNITED KINGDOM WILL BE HOSTING THE NEXT
MINISTERIAL MEETING.

WE DISCUSSED UNESCO .
AND WE DEALT WITH A NUMBER OF BILATERAL

P.M.

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— Study points define

— convergence

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—

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was this done —

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Edman

LC Pat Call

Sp.

ISSUES.

I TOLD THE CHANCELLOR HOW MUCH WE WERE

LOOKING FORWARD TO PRESIDENT VON WEIZSACKER'S

STATE VISIT NEXT YEAR.

FINALLY I SHOULD SAY THAT I SUGGESTED TO CHANCELLOR

KOHL THAT WHEN I GO TO GERMANY FOR OUR NEXT

SUMMIT MEETING, WE SHOULD PAY A JOINT VISIT

TO THE BRITISH FORCES IN GERMANY AND HE HAS

ACCEPTED THIS IN PRINCIPLE.

Spring

13

cc: Mr. Ingham

PRIME MINISTER

ANGLO-GERMAN SUMMIT

I attach a draft opening statement for
your press conference.

CDP

(C.D. Powell)

26 November 1985

SPCAAC

ANGLO-GERMAN SUMMIT:

SPEAKING NOTES FOR THE PRESS CONFERENCE

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LONDON FOR THIS BILATERAL CONSULTATION.

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FOLLOWING THE US/SOVIET SUMMIT LAST WEEK ON

WHICH WE HAVE BEEN ABLE TO COMPARE NOTES: AND

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IN THE DEFENCE AND SECURITY FIELD.

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COMMITMENT TO FORWARD DEFENCE IN GERMANY.

THERE IS SOMETIMES A TENDENCY TO PASS OVER

TOO READILY THE SCALE OF THIS BRITISH

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SUCCESSFUL OCCASION THAN THE COUNCIL IN MILAN
LAST JUNE.

THERE ARE A NUMBER OF VERY IMPORTANT ISSUES
WHICH NEED ATTENTION SUCH AS REFORM OF THE
CAP, AND WE SHOULD LIKE TO GET THE
INTER-GOVERNMENTAL CONFERENCE OUT OF THE WAY

AS SOON AS POSSIBLE.

ON A NUMBER OF THE ISSUES OUR POSITIONS ARE
QUITE CLOSE.

WE AGREE THAT WE MUST GET ON WITH COMPLETION
OF THE INTERNAL MARKET.

WE AGREE ON WANTING TO PRESERVE UNANIMITY FOR
IMPORTANT DECISIONS.

WE AGREE THAT DECISIONS MUST REMAIN WITH THE
COUNCIL, THOUGH THERE CAN BE IMPROVED
PROCEDURES FOR THE ASSEMBLY'S VIEWS TO BE
CONSIDERED.

BUT I THINK IT IS TOO EARLY TO SAY, WITH A
FURTHER ROUND OF DISCUSSIONS STILL TO TAKE
PLACE BETWEEN FOREIGN MINISTERS, WHETHER
SUFFICIENT PROGRESS CAN BE MADE FOR DECISIONS

TO BE TAKEN AT LUXEMBOURG .

WE SHALL MAKE UP OUR MINDS WHEN WE SEE THE
SHAPE OF THE PACKAGE ON THE TABLE IN
LUXEMBOURG .

OTHERWISE WE DISCUSSED THE UNITED NATIONS VOTE ON THE
FALKLAND ISLANDS [ON WHICH I AM PLEASED TO
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GERMANY WOULD AGAIN ABSTAIN].

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THE UNITED KINGDOM WILL BE HOSTING THE NEXT
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AND WE DEALT WITH A NUMBER OF BILATERAL
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FINALLY I SHOULD SAY THAT I SUGGESTED TO CHANCELLOR
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SUMMIT MEETING, WE SHOULD PAY A JOINT VISIT
TO THE BRITISH FORCES IN GERMANY AND HE HAS
ACCEPTED THIS IN PRINCIPLE.

PRIME MINISTER *CM*

ANGLO-GERMAN SUMMIT

The programme is as follows:

- 0900 Meet Chancellor Kohl at front door.
- 0900- Tete-a-tete in White Room
1030
- 1030- Joined by Foreign Ministers
1100
- 1100- Plenary in Cabinet Room
1145
- 1200- Press Conference at Institution of Civil Engineers
1245 (by car)
- 1300- Lunch
1430
- 1430 Depart for Royal Academy
- 1445- View Exhibition of Modern German Art with Chancellor
1515
- 1515 Chancellor Kohl departs for Cambridge

Prime Minister to House of Commons

You read my note within about the Summit at the weekend. You ought if possible to go through the steering brief in the folder. The Foreign Secretary has now put in a minute which you will find immediately behind.

There seem to me two important new factors:

(i) Falklands. France and Italy have said that they will vote for the Argentine resolution. Italy has said that it will not support our amendments on self-determination. You sent a message to Chancellor Kohl late last week asking Germany to maintain its abstention. You will want to try to hold him to that. The vote is tomorrow.

(ii) Europe. The Foreign Secretary's minute summarises recent developments in the Inter-Governmental Conference. I am doubtful how far it is worthwhile getting into detail about this with the Chancellor. But you are bound to feel that some recent developments do not augur well for the European Council. The defection of France and Italy (at least) on the Falklands does not create the best climate for an agreement with the professed aim of a European foreign policy. The likelihood that the Budget Council will considerably increase the figure for next year's budget puts declarations about budgetary stringency and discipline under strain. Progress towards reforming the CAP is halting. All this is bound to increase your doubts about whether it makes sense to try to change the Treaty or enter new commitments. It is no good blowing great fanfares about a step forward, if we are leaving a mess behind us. You are prepared to work for a modest and realistic outcome at the European Council, but no more. It will be particularly important for Britain and Germany to stand firm against proposals for amending the monetary provisions of the Treaty. You hope that the Chancellor can give you a firm assurance on this.

I attach some cards and a suggested draft statement for the press conference.

C D P

C. D. POWELL

26 November 1985

Mr Powell

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 WEDNESDAY,
27 NOVEMBER 1985 AT 12.45 PM FOR 1.00 PM

The Prime Minister

His Excellency Dr. Helmut Kohl

His Excellency Herr Hans-Dietrich Genscher Vice Chancellor and
Federal Minister of Foreign
Affairs

His Excellency Dr. Manfred Wörner Federal Minister of Defence

His Excellency Dr. Otto Schlecht State Secretary, Federal
Ministry of Economic Affairs

Herr Friedhelm Ost Chief Government Spokesman

Dr. Karl-Helmut Schnell Deputy Secretary, Ministry
of Defence

Herr Horst Teltschik Deputy Secretary

His Excellency the Ambassador of the Federal Republic of Germany

Dr. Gerold von Braunmühl Deputy Secretary, Federal
Ministry of Foreign Affairs

Dr. Walter Neuner Assistant Secretary

Herr Georg Grimm Deputy Secretary

Dr. Alois Jelonek Deputy Secretary,
Federal Ministry of Foreign
Affairs

Dr. Rudolf Morawitz Under Secretary, Federal
Ministry of Economic
Affairs

Brigadier General Roland Oppermann Deputy Chief of Staff,
Plans and Policy Division
Federal Ministry of Defence

Herr Heinz Weber Interpreter

Mrs. Ilse Bloom Interpreter

Rt. Hon. Sir Geoffrey Howe, MP

Rt. Hon. Michael Heseltine, MP

Sir Brian Hayes

Department of Trade and
Industry

Sir Julian Bullard

HM Ambassador, Bonn

Mr. Derek Thomas

FCO

Mr. David Williamson

Cabinet Office

Mr. D.H. Perry

Chief of Defence Equipment
Colaboration, Ministry of
Defence

Mr. Bernard Ingham

Mr. Charles Powell

Mr. Rudolph Lederer

Interpreter

DRAFT SEATING PLAN FOR LUNCH ON WEDNESDAY, 27 NOVEMBER

Mr. Rudolph Lederer (Interpreter)

Mr. Bernard Ingham

Herr Georg Grimm

Dr. Rudolf Morawitz

Dr. Gerold von Braunmühl

Mr. D.H. Perry

Mr. David Williamson

Dr. Karl-Helmut Schnell

Herr Friedhelm Ost

Sir Julian Bullard

Mr. Derek Thomas

His Excellency Dr. Manfred Wörner

HE Herr Hans-Dietrich
Genscher

THE PRIME MINISTER

Rt. Hon. Sir Geoffrey Howe

Dr. Heinz Weber
(Interpreter)

Mrs. Ilse Bloom
(Interpreter)

HE Dr. Helmut Kohl

HE Dr. Otto Schlecht

Rt. Hon. Michael Heseltine

Sir Brian Hayes

HE The Ambassador of the Federal
Republic of Germany

Herr Horst Teltschik

Brigadier General Ronald Oppermann

Dr. Alois Jelonek

Dr. Walter Neuer

Mr. Charles Powell

ENTRANCE



ROYAL ACADEMY OF ARTS,
PICCADILLY, LONDON, W1V 0DS

copy

Telephone: 01-734 9052
Cables: Royacad, London

25th November 1985

Charles Powell Esq.,
10 Downing Street,
London SW1.

Dear Mr. Powell,

Further to our telephone conversation, I have pleasure in enclosing, for your information, details of the arrangements we have made for the visit of the Prime Minister and Chancellor Kohl on Wednesday 27th November at 2.35pm

They will be greeted on arrival by the President, Mr. Roger de Grey, and myself, escorted to the Vestibule, and Mr. Frederick Gore RA (Exhibitions Committee Chairman), Mr. Norman Rosenthal (Exhibitions Secretary) Mr. Christos Joachimides (co-organizer with Norman Rosenthal of the exhibition) and Mr. Edward Middleditch (Keeper of the Royal Academy) will be presented.

Mr. Reinhard Rudolph (Exhibitions Assistant) and Miss MaryAnne Stevens (Education Officer) will be on hand to assist with the Party.

One representative of each of the eight sponsors will be presented to the Prime Minister and Chancellor Kohl in the Vestibule as the party departs from the Exhibition.

If there are any other points which you would like to discuss, please do not hesitate to contact me.

Yours sincerely,

Piers Rodgers
Secretary



ROYAL ACADEMY OF ARTS,
PICCADILLY, LONDON, W1V 0DS

Telephone: 01-734 9052
Cables: Royacad, London

(Briefing for RA Staff - c.c. Government Hospitality - J.K. Watt, Esq
FCO - Gavin Anderson
German Embassy - Cultural Attache)
Charles Powell, Esq.

VISIT OF MRS. THATCHER AND CHANCELLOR KOHL

Wednesday 27th November

2pm Central steps and red carpet should be in position by 2pm
Representatives of the sponsors of the German exhibition
will arrive between 2pm and 2.15pm

2.30pm PRA and Secretary to wait under portico for arrival
of Mrs. Thatcher and Chancellor Kohl

Mr. Frederick Gore, Mr. Rosenthal, Mr. Joachimides,
and Keeper to wait in Vestibule in order to be presented
to Mrs. Thatcher and Chancellor Kohl, and then to accompany them

Mr. Rudolph and Miss Stevens to wait in Vestibule to
assist with Party.

Representatives of Sponsors to follow the party.
Presentation of nominated sponsors to be made in Gallery
10 at end of visit.

2.35pm Arrival of Federal German Delegation

His Excellency Dr. Helmut Kohl
His Excellency Baron Rudiger Von Wechmar, The Federal German Ambassador
Herr Horst Teltschik
Dr. Walter Neuer
Herr Peter Hartmann
Herr Friedhelm Ost
Herr Heinz Weber
Frau Anfried Baier-Fuchs
2 security officers
1 official photographer

/...

2.35pm cont.

The Rt. Hon. Margaret Thatcher, The Prime Minister
Sir Julian Bullard, HM Ambassador at Bonn
Group Captain Anthony O'Neill, Government Hospitality Escorting Officer
A Private Secretary to the Prime Minister
2 Special Branch Protection Officers

Cars will park in Courtyard

The Party will be greeted at the kerb by PRA and the Secretary, and will proceed to Galleries.

Visit of Galleries, preceded by Head Porter.

3.10pm Presentation of sponsors to Mrs. Thatcher and
approx. Chancellor Kohl, in Gallery 10.

Sponsors:

Mr. Anton Wellenreiter (Lufthansa) - Director UK and Ireland
Mr. Manfred Ten Brink (Deutsche Bank) - General Manager
Dr. R.H. Ellenrieder (Mercedes-Benz) - Director of Finance and Administration
Mr. Alistair Mowat (Beck's Bier) - Chairman
Mr. A.K. Stewart-Roberts (Bosch) - Chairman
Mr. Dominik von Winterfeldt (Hoechst) - Chairman and Managing Director
Mr. Edward Cahill (Melitta) - Sales and Marketing Director
Mr. Hannes Vahl (Siemens) - Chairman and Managing Director

3.15pm The Party departs via Shop/Central Hall.

Notes:

Press arrangements are pooled, and are covered by Ian Worthington (Government Hospitality). All press will be issued with badges.

There will be:

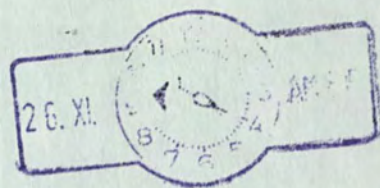
2 television crews
6 photographers
8 journalists

Coverage is permitted in the Courtyard, Gallery II, and throughout the succeeding Galleries

Accompanying the sponsors, but not to be presented will be:

Miss Rita Zampese (Lufthansa) - Manager, Public Relations UK and Ireland
Dr. Lutz Mellinger (Deutsche Bank) - General Manager, London Branch
Dr. M. Endres (Deutsche Bank) Managing Director, Capital Markets Ltd
Mr. G. Vowinckel (accompanying Deutsche Bank) Deminex UK Oil and Gas Ltd:
(partly owned by the German government)
Mr. Anthony Fawcett (Beck's Bier) Public Relations Consultant

Mrs. von Winterfeldt (Hoechst)
Mrs. Tricia Michael (Melitta) Marketing Manager, Retail Food
Mr. Ron Tucker (Siemens) Press and Public Relations
Miss Jean Lamont (Office of Arts and Libraries)
Mr. Colin Tweedy (Association for Business Sponsorship of the Arts)
Mr. Chris Pullein (Association for Business Sponsorship of the Arts)



ANGLO GERMAN SUMMIT

1. US/Soviet Summit.

Exchange assessments and consider prospects for progress in various arms control negotiations. Implications for Gorbachev. Mention Anglo-German initiative on MBFR. Stress importance of supporting US on SDI research. Need to persuade US to continue observance of SALT II constraints. Afghanistan. Human rights.

2. Participation in SDI Reseach.

We are still finalising one or two details. We expect to make formal announcement of an agreement in the next week or two.

/3. Falklands

Names

How

/ Gender

Herelle -

3. Falklands

Hope very much Germany will again abstain at the UN on the Argentine resolution. Soft resolution conceals no change in Argentine intentions.

4. European Council.

Regret experience at Milan European Council. Glad to hear our officials working closely together this time. Would not like to see another case of Franco-German ganging up. Would like to get Intergovernmental Conference out of the way at Luxembourg. Will decide position only when see what is on the table at Luxembourg. But it must be modest and practical and not involve any change in balance between the institutions.

/ Attach

Attach particular importance to avoiding any amendment to monetary provisions of the Treaty. Understand that this is also the German view and hope Kohl will stick to it at European Council. (Don't be terrorised by Delors' threat to withdraw all Commission proposals from IGC.)

5. Eureka.

Compliment him on successful outcome of Hanover Meeting.

6. Visit to British Forces Germany.

Hope he will join you on such a visit at next Summit.

7. UNESCO.

We shall decide very shortly and are likely to confirm our decision to leave. / 8. Soltan-Luneberg

8. Solta~~u~~-Luneberg.

Can't expect both to have protection of our forces and to deny them full training facilities.

9. Draft dodgers in Berlin.

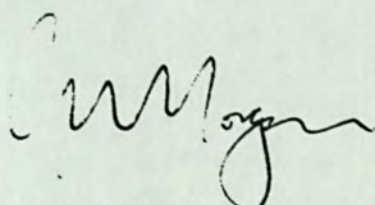
Can't tamper with Berlin's demilitarized status.
Problem one for German authorities to solve.

ADMINISTRATIVE PLAN FOR THE VISIT OF
HIS EXCELLENCY DR HELMUT KOHL,
CHANCELLOR OF THE FEDERAL REPUBLIC OF GERMANY:
27 NOVEMBER 1985

(to be read in conjunction with the printed programme)

1. COMPOSITION OF THE FEDERAL GERMAN AND UK DELEGATIONS
Details are shown at Annex 1.
2. ARRIVAL ARRANGEMENTS
Details are shown at Annex 2.
3. PARTICIPATION OF FEDERAL MINISTERS AND MEMBERS OF THE OFFICIAL SUITE IN THE FEDERAL CHANCELLOR'S PROGRAMME
Details are shown at Annex 3.
4. PARTICIPATION OF MEMBERS OF THE EMBASSY OF THE FEDERAL REPUBLIC OF GERMANY IN FEDERAL MINISTERS' PROGRAMMES
Details are shown at Annex 4.
5. INTERPRETATION
Details are shown at Annex 5.
6. PRESS
Details are shown at Annex 6.
7. OFFICIALS LUNCHEON AT ADMIRALTY HOUSE
Details are shown at Annex 7.
8. TRANSPORT

Cars are provided for members of the Official Suite. Detailed car plans will be issued separately to those who require them.


R E Morgan
Protocol Department
273 3582

25 November 1985

ANTAAN

FEDERAL GERMAN DELEGATION

HIS EXCELLENCY
DR HELMUT KOHL

CHANCELLOR OF THE
FEDERAL REPUBLIC OF
GERMANY

Office of the Chancellor

Herr Friedhelm Ost

Chief Government
Spokesman

Dr Horst Teltschik

Deputy Secretary

Dr Georg Grimm

Deputy Secretary

Dr Walter Neuer

Assistant Secretary

Dr Peter Hartmann

Assistant Secretary

Herr Heinz Weber

Assistant Secretary,
Interpreter

Frau Anfried Baier-Fuchs

Personal Assistant,
Federal Press and
Information Office

HIS EXCELLENCY
HERR HANS-DIETRICH GENSCHER

VICE-CHANCELLOR AND
FEDERAL MINISTER OF
FOREIGN AFFAIRS

Office of the Vice-Chancellor and Federal Foreign Minister

His Excellency
Baron Rüdiger von Wechmar

Ambassador of the Federal
Republic of Germany at London

Dr Gerold von Braunmühl

Deputy Secretary

Dr Jürgen Trumpf

Under Secretary

Dr Heinz Schnepfen

Assistant Secretary

Herr Jürgen Chrobog

Assistant Secretary

Herr Joachim Bitterlich

Private Secretary

Frau Gisela Siebourg

Senior Principal,
Interpreter

Herr Herbert Rothen

Executive

HIS EXCELLENCY
DR MANFRED WÖRNER

Office of the Federal Minister of Defence

FEDERAL MINISTER OF
DEFENCE

Dr Karl-Helmut Schnell

Deputy Secretary

Brigadier General
Roland Oppermann

Deputy Chief of Staff

Colonel Dr Klaus Reinhardt

Aide-de-Camp

HIS EXCELLENCY
DR OTTO SCHLECHT

Office of the State Secretary, Federal Ministry of Economics

STATE SECRETARY,
FEDERAL MINISTRY OF
ECONOMIC AFFAIRS

Dr Waldemar Mueller-Thuns

Deputy Secretary

Dr Bernd Pfaffenbach

Private Secretary

UK DELEGATION

THE RT HON MARGARET THATCHER MP

PRIME MINISTER

Prime Minister's Office

Mr Charles Powell

Principal Private
Secretary

Mr Bernard Ingham

Chief Press Secretary

Sir Robert Armstrong

Secretary of the Cabinet

Mr David Williamson

Deputy Under-Secretary of
State, Cabinet Office

THE RT HON SIR GEOFFREY HOWE MP

SECRETARY OF STATE FOR
FOREIGN AND COMMONWEALTH
AFFAIRS

Foreign and Commonwealth Office

Mr Colin Budd

Private Secretary

Sir Julian Bullard

HM Ambassador to the
Federal Republic of
Germany

Mr Derek Thomas

Deputy Under-Secretary
of State and Political
Director

Mr Rodric Braithwaite

Deputy Under-Secretary
of State

THE RT HON MICHAEL HESELTINE MP

SECRETARY OF STATE FOR
DEFENCE

Ministry of Defence

Mr Richard Mottram

Principal Private
Secretary

Sir Clive Whitmore

Permanent Under-Secretary
of State

Mr David Nicholls

Deputy Under-Secretary
of State

THE RT HON PAUL CHANNON MP
Department of Trade and Industry

MINISTER FOR TRADE

Sir Brian Hayes

Permanent Secretary

Mr Nigel Brecknell

Under Secretary

ANTA AO

ARRIVAL ARRANGEMENTS AT RAF NORTHOLT
(Southside entrance via A40)

By
0750 Arrival of representatives of the Embassy of the
Federal Republic of Germany, Government
Hospitality Fund, Protocol Department and members
of the press

The Station Commander, Group Captain M Barnes, will receive
the following at the Royal Lounge:-

0755 Sir Julian Bullard, HM Ambassador to Bonn.

0800 HE Baron Rüdiger Von Wechmar, Ambassador of the
Federal Republic of Germany at London.

0805 The Rt Hon Sir Geoffrey Howe MP, Secretary of
State for Foreign and Commonwealth Affairs

0815 Official Suite arrive from Bonn, met by HE the
Ambassador of the Federal Republic of Germany at
London and HM Ambassador to Bonn.

0820 Arrival of Chancellor Kohl and Federal Ministers.

Group Captain M Barnes will escort the greeting party to the
aircraft. Members of the greeting party are:-

The Secretary of State for Foreign and
Commonwealth Affairs

HE Baron Rüdiger Von Wechmar

Sir Julian Bullard

Group Captain M Barnes

Brigadier Alan Cowan, Secretary,
Government Hospitality

Group Captain Anthony O'Neill,
Government Hospitality Escort Officer

HE the Ambassador of the Federal Republic of Germany will board the aircraft and escort HE Chancellor Kohl to the apron where he will be welcomed by the Secretary of State for Foreign and Commonwealth Affairs and other members of the greeting party. The Secretary of State for Foreign and Commonwealth Affairs will accompany HE Chancellor Kohl along the red carpet to the Chancellor's car. (See plan attached)

ANTAAP

CEREMONIAL GUARD AT RAF NORTHOLT

AIRCRAFT

- 1 ●
- 2 ●
- 3 ●
- 4 ●
- 5 ●

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T

Greeting Party

- 1 ● ~~HE~~ The Ambassador of the Federal Republic of Germany at London
- 2 ● Secretary of State
- 3 ● EM Ambassador to Bonn
- 4 ● Brigadier Cowan
- 5 ● Group Captain O'Neill

■ Station Commander

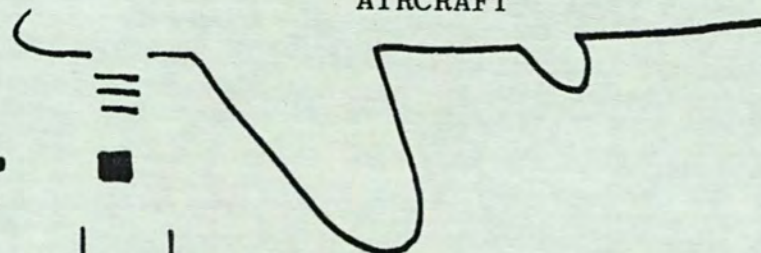
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CAR 2

CAR 1

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LOUNGE

ROYAL
LOUNGE



PARTICIPATION OF FEDERAL MINISTERS AND MEMBERS OF THE
OFFICIAL SUITE IN THE FEDERAL CHANCELLOR'S PROGRAMME

Tête-a-tête talks with the Prime Minister

HE Chancellor Kohl will be accompanied by Herr Teltschik and Herr Weber.

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

HE Herr Genscher
Herr Teltschik
Herr Weber

(HE the Ambassador of the Federal Republic of Germany will accompany HE Herr Genscher to No 10 Downing Street but will not attend the talks.)

Plenary Talks

All Federal Ministers
HE the Ambassador of the Federal Republic of Germany
Herr Teltschik
Dr von Braunmühl
Dr Schnell
Dr Mueller-Thuns

Plus 4 officials

Luncheon at No 10 Downing Street

All Federal Ministers
Herr Ost
HE the Ambassador of the Federal Republic of Germany
Herr Teltschik
Dr Grimm
Dr Schnell
Dr von Braunmühl
Dr Mueller-Thuns
Dr Trumpf
Brigadier General Oppermann
Dr Neuer
Herr Bitterlich

Visit to the Royal Academy of Arts and to Cambridge

HE Chancellor Kohl will be accompanied by:-

Herr Ost
HE the Ambassador of the Federal Republic of Germany
Herr Teltschik
Dr Neuer
Dr Hartmann
Herr Weber
Frau Baier-Fuchs

PARTICIPATION OF MEMBERS OF THE EMBASSY OF THE FEDERAL
REPUBLIC OF GERMANY IN FEDERAL MINISTERS' PROGRAMMES

HE the Ambassador of the Federal Republic of Germany will accompany HE Herr Genscher to the Foreign and Commonwealth Office.

Rear-Admiral Dr Kurt Fischer, Defence and Naval Attaché, will accompany HE Dr Wörner to the Ministry of Defence.

Herr Oskar Rudolph, First Counsellor (Head of Economic Department), will accompany HE Dr Schlecht to the Department of Trade and Industry.

HE the Ambassador of the Federal Republic of Germany, Dr Von Waldow, Counsellor (Head of Press Department) and Dr Braun, Second Secretary (Press), will accompany HE Chancellor Kohl to the Royal Academy of Arts and to Cambridge.

INTERPRETATION

HE Chancellor Kohl will be accompanied by Herr Heinz Weber who will interpret for the Chancellor throughout the programme.

Mr Rudolph Lederer will interpret for the Prime Minister throughout the programme.

Dr Wörner will not require an interpreter.

Interpretation for other Ministers will be as follows:-

Herr Genscher	:	Frau Gisela Siebourg
Herr Schlecht	:	Mrs Ilse Bloom

Simultaneous interpretation will be provided at the plenary talks at 10 Downing Street by Herr Weber and Mr Lederer.

Whisper interpretation will be provided for Ministers at the luncheon at 10 Downing Street.

PRESS ARRANGEMENTS1. Press Centre

There will be no official press centre for this visit as no press are coming from Germany. Journalists may use the facilities at the FPA if they wish to do so.

2. PhotocallsNortholt

There will be a photocall at Northolt when the Secretary of State for Foreign and Commonwealth Affairs meets Chancellor Kohl. Access will be by Met Police Press (MPP) card and names to Ian Worthington by 1700 on 26 November on 233 8618.

Downing Street

There will be a photocall at No 10 Downing Street on the arrival of Chancellor Kohl. Access to the street will be by MPP card. Access inside No 10 hallway will be by pool - photographers should contact No 10 Press Office re this facility.

Royal Academy

The photocall opportunity will be on a pool basis. Photographers should contact NPA on 583 8132.

Cambridge

Space has been allocated for press to attend the lecture to be given by Chancellor Kohl, and the question and answer session. Names of those wishing to attend should be given to Ian Worthington on 233 8618.

Press Conference

A joint press conference will take place at midday on 27 November in the Great Hall at the Institution of Civil Engineers. Press entry to the building is by MPP or name in advance to Ian Worthington. Press should arrive by 11.45 am at the latest. Security checks will be carried out.

Transport

Press will make their own transport arrangements throughout the visit. NB - There is no parking at Downing Street or Institution of Civil Engineers.

LUNCHEON ARRANGEMENTS

Luncheon for officials in the Music Room at
Admiralty House, Whitehall - 1245 for 1300

Host: Mr Rodric Braithwaite

The following are also invited:-

Herr Hartmann

Dr Schnepfen

Herr Chrobog

Col Reinhardt

Herr Pfaffenbach

Frau Baier-Fuchs

Baron von Stein)

Herr Rudolph)

Dr Fischer) Embassy of the Federal Republic of Germany

Dr Bracklow)

Dr Ziegler)

DISTRIBUTION

The Embassy of the Federal Republic of Germany (20)

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Mr Joce (1)

Cabinet Office
Mr D Williamson (1)

Foreign and Commonwealth Office
Private Secretary (2)
PS/Lady Young (2)
PS/PUS (2)
Sir Julian Bullard (1)
Mr D M D Thomas (1)
Mr R Q Braithwaite (1)
Mr R W Renwick (1)
WED: Mr Anderson (6)
ECD(I) (2)
Planning Staff (1)
News Department: Mr Worthington (4)
Resident Clerk (1)
Protocol Department (10)
Colonel Durrant (6)
Interpreters (4)
Heads of Mission Section (1)
Government Hospitality Fund (50)

Ministry of Defence
PS/Secretary of State (2)
Sir C Whitmore (1)
Mr D Nicholls (1)

Department of Trade and Industry
PS/Mr Channon (2)
Sir Brian Hayes
Mr N Brecknell

RAF Northolt (4)

ADDENDUM TO THE ADMINISTRATIVE PLAN FOR THE VISIT OF
HIS EXCELLENCY DR HELMUT KOHL, CHANCELLOR OF THE FEDERAL
REPUBLIC OF GERMANY: 27 NOVEMBER

1. Annex 1

Dr Rudolf Morawitz, Under Secretary, will replace Dr Mueller-Thuns.

Mr David Dain, Head of Western European Department, will be included in the UK Delegation.

2. Annex 3

Dr Morawitz will replace Dr Mueller-Thuns at the plenary talks and luncheon at No 10 Downing Street.

Herr Bitterlich will not attend the luncheon at No 10 Downing Street.

3. Annex 7

The following will also attend the official's luncheon at Admiralty House:-

Dr von Waldow (Embassy)
Herr Bitterlich
Herr Rothen
Herr Poles

Baron von Stein and Dr Ziegler will not attend the luncheon.

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TELNO 1132

OF 251345Z NOVEMBER 85

MIPT: ANGLO-GERMAN SUMMIT, 27 NOVEMBER: FIVE WISE MEN'S REPORT ON THE FRG ECONOMY

1. THE ANNUAL REPORT OF THE COUNCIL OF ECONOMIC ADVISERS WAS PRESENTED TO KOHL ON 22 NOVEMBER. THE REPORT PRAISES THE GOVERNMENT'S ECONOMIC RECORD AND RECOMMENDS THAT CONTINUITY, CONSISTENCY AND CREDIBILITY SHOULD REMAIN THE BY-WORDS OF ECONOMIC POLICY SO AS TO ENCOURAGE FURTHER OPTIMISM AND CONFIDENCE.

2. THE REPORT FORECASTS REAL GNP GROWTH OF 2.5 PER CENT THIS YEAR FOLLOWED BY 3 PER CENT NEXT. GROWTH IN 1986 WILL BECOME BROADER-BASED, WITH EXPORTS STILL LEADING DEMAND (ALTHOUGH THE RATE OF GROWTH WILL SLOW DURING THE YEAR) BUT SUPPORTED BY AN INCREASE IN PRIVATE CONSUMPTION (PLUS 3 PER CENT REAL) WHICH WILL BE BOOSTED BY THE INTRODUCTION OF THE FIRST STAGE OF INCOME TAX REFORM IN JANUARY 1986 (MAGNITUDE DM 11 BILLION). THE REPORT PREDICTS AN INCREASE OF 300,000 IN THE NUMBER OF EMPLOYED AND INFLATION AT 1.5 PER CENT TO 2 PER CENT. INVESTMENT IN MACHINERY AND EQUIPMENT IS EXPECTED TO INCREASE BY 9 PER CENT (REAL) AND THE CONSTRUCTION SECTOR IS ALSO EXPECTED TO PICK UP (PLUS 1 PER CENT) AFTER A POOR PERFORMANCE THIS YEAR. THE REPORT SUGGESTS THAT INVESTMENT GROWTH WILL CONTINUE INTO 1987 AND BEYOND.

3. THE REPORT IS OPTIMISTIC ON EMPLOYMENT, DRAWING ANALOGIES WITH EMPLOYMENT GROWTH TRENDS IN THE 1979/80 UPSWING, SUGGESTING THAT AN INCREASE OF 1 MILLION JOBS OVER THE PRESENT CYCLE IS POSSIBLE. HOWEVER DETAILED EXAMINATION OF THE REPORT SHOWS THAT THE NET CREATION OF NEW JOBS WILL BE ROUND 300,000 IN 1986 (MOSTLY IN THE SERVICE SECTOR), BUT THAT OWING TO DEMOGRAPHIC FACTORS THE NUMBER OF UNEMPLOYED WILL FALL BY ONLY 80,000, THUS PRODUCING A FIGURE OF AROUND 2.2 MILLION UNEMPLOYED (ANNUAL AVERAGE) IN 1986.

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4. DESPITE BROADENING AND STRENGTHENING GROWTH, THE FIVE WISE MEN POINT OUT THAT THE 1986 WAGE ROUND MUST BE KEPT MODERATE AND THAT THEIR UNDERLYING OPTIMISM SHOULD NOT BE REGARDED AS AN EXCUSE FOR PROFLIGATE WAGE DEMANDS. OUR USUAL SAVINGRAM ON THE FIVE WISE MEN'S REPORT WILL FOLLOW.

BULLARD

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ANGLO-GERMAN SUMMIT, 27. NOVEMBER

SUMMARY

1. CHANCELLOR KOHL IN BUOYANT MOOD, WITH MORE TO BE PLEASED WITH THAN WORRIED ABOUT. MAJOR FLY IN THE ANGLO-GERMAN OINTMENT IF KOHL DOES NOT HEED THE PRIME MINISTER'S APPEAL ON FALKLANDS.

DETAIL

2. KOHL HAD A DIFFICULT EARLY AUTUMN, HIS LOOSE STYLE OF GOVERNMENT ALLOWING PROBLEMS TO DRIFT AND ATTRACTING A LOT OF CRITICISM. BUT SEVERAL THINGS HAVE RECENTLY TAKEN A TURN FOR THE BETTER:

- THE GENEVA SUMMIT HAS ALLOWED KOHL TO TAKE CREDIT BOTH FOR STANDING FIRM OVER INF DEPLOYMENT AND FOR PRESSING REAGAN TO MEET GORBACHEV AND TO PUT ARMS CONTROL INTO A BROAD US-SOVIET POLITICAL FRAMEWORK.

- THE LATEST FRANCO-GERMAN SUMMIT, ALTHOUGH IT FELL BELOW THE USUAL DITHYRAMBIC LEVEL AND LEFT MOST OF THE POINTS OF DISAGREEMENT IN PLACE, SEEMS TO HAVE REDUCED THE VOLUME OF WASPISH COMMENT FROM PARIS ABOUT UN-EUROPEAN ATTITUDES IN BONN.

- THE EUREKA MINISTERIAL MEETING IN HANOVER WENT WELL: HERE TOO FRANCO-GERMAN DIFFERENCES HAVE BEEN MUTED EVEN IF NOT ELIMINATED.

- THE MINISTRY OF TRANSPORT'S LARGE-SCALE TRIALS SHOWED THAT SPEED LIMITS WOULD REDUCE NOX EMISSIONS BY ONLY A SMALL PERCENTAGE, BECAUSE MOST GERMAN MOTORISTS WOULD NOT OBSERVE THEM: THIS ENABLED THE CABINET TO DROP SPEED LIMITS LIKE THE POLITICAL HOT POTATO THAT THEY ARE, AND REAFFIRM ITS CONCENTRATION ON 'THE MODERN TECHNOLOGY OF LOW EMISSION CARS'. (ADMITTEDLY THIS IS NOT THE LAST OF THE MATTER BECAUSE THE EC COMMISSION INTENDS TO PURSUE IT.)

- IT IS BECOMING GENERALLY ACCEPTED (THOUGH NOT BY THE SPD) THAT SOME KIND OF INTER-GOVERNMENTAL AGREEMENT WITH THE UNITED STATES ON SDI IS (A) NECESSARY AND (B) HARMLESS PROVIDED AT LEAST ONE OTHER EUROPEAN GOVERNMENT DOES LIKEWISE: GENSCHER, WHO CAMPAIGNED AGAINST THIS, IS EXECUTING A NIMBLE RETREAT.

3. ON TOP OF THIS THE GERMAN ECONOMY HAS BEEN GIVEN ANOTHER PAT ON THE BACK, THIS TIME FROM THE 5 LEADING ECONOMISTS WHO REPORT IN MID-NOVEMBER EVERY YEAR: THEIR PRESCRIPTION IS 'CONTINUITY, CONSISTENCY AND CREDIBILITY', IE MORE OF THE SAME: SEE MIFT.

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4. THIS IS NOT TO SAY THAT KOHL FACES NO PROBLEMS. THERE IS UNEMPLOYMENT, WHICH HE SEEMS TO BE ALONE IN EXPECTING TO DIP BELOW 2 MILLION IN 1986. THERE IS AGRICULTURE, ON WHICH HE TOLD ME THAT HE EXPECTED 5 DIFFICULT YEARS. THERE IS STRAUSS, AGED 70 BUT AS SHARP-TONGUED AS EVER AND RE-ELECTED THIS WEEKEND AS CHAIRMAN OF THE BAVARIAN CSU BY 967 VOTES OUT OF A POSSIBLE 979. THERE IS GENSCHER, RESENTING KOHL'S INCURSIONS INTO FOREIGN POLICY AND MANOEUVRING TO SECURE HIS OWN JOB AS FOREIGN MINISTER AFTER 1987. THERE ARE THE USUAL LAND ELECTIONS IN THE OFFING, THE TRICKIEST FOR KOHL BEING LOWER SAXONY (JUNE 1986), WHERE ALBRECHT WILL BE LUCKY TO HOLD ON TO HIS ABSOLUTE MAJORITY. THERE ARE THE BUNDESTAG ELECTIONS IN JANUARY 1987, ALTHOUGH AT PRESENT I CANNOT SEE THE COALITION LOSING THESE. THERE IS RAU, WHOM YOU SAW IN LONDON LAST WEEK: NOT PERHAPS A FULLY CONVINCING ALTERNATIVE CHANCELLOR BUT AN ANTAGONIST TO BE TAKEN SERIOUSLY.

5. WITH HIS OPTIMISTIC TEMPERAMENT, KOHL WILL BE MORE CONSCIOUS OF THE PLUSES IN PARA 3 ABOVE THAN OF THE MINUSES IN PARA 4. SO IT WILL BE A BUOYANT CHANCELLOR WHOM THE PRIME MINISTER MEETS ON WEDNESDAY.

6. IT SHOULD ALSO BE A FRIENDLY ONE. THERE CANNOT BE MUCH WRONG WITH ANGLO-GERMAN RELATIONS IF KOHL'S STAFF THINKS HE WILL HAVE TIME TO SPEAK TO THE PRIME MINISTER ABOUT DRAFT-DODGERS IN BERLIN AND REDUCING THE USE OF THE SOLTAU-LUENEBUG TRAINING AREA. CONSULTATION ON EC QUESTIONS HAS BEEN ENORMOUSLY CLOSER THAN BEFORE MILAN, AND WILL I HOPE CONTINUE SO RIGHT UP TO AND DURING THE LUXEMBOURG EUROPEAN COUNCIL.

7. KOHL WILL NEED TO BE EVEN CLUMSIER AND THICKER SKINNED THAN I THINK HE IS TO WANT TO SPOIL THIS PICTURE BY AUTHORISING THE FRG DELEGATION IN NEW YORK TO VOTE FOR THE ARGENTINE DRAFT RESOLUTION ON THE FALKLANDS. HE HAS HAD THE PRIME MINISTER'S MESSAGE AND WILL BE EXPECTING HER TO REINFORCE IT WHEN THEY MEET.

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ANGLO/GERMAN SUMMIT: MISCELLANEOUS POINTS

1. THE DEPARTMENT HAVE ASKED (TELECON ANDERSON/CONNOR), FOR ADVICE ON GENSCHER'S PERSONAL LIKES AND DISLIKES, AND FOR TALKING POINTS FOR THE PRIME MINISTER TO USE SOCIALLY WITH CHANCELLOR KOHL.

2. AS REGARDS GENSCHER, THE FOLLOWING IS BASED ON ADVICE FROM HIS PRIVATE OFFICE. HIS TASTES ARE SIMPLE AND ABSTEMIOUS, PARTLY FOR WEIGHT-WATCHING REASONS. HE DRINKS FRESH LEMON JUICE AND TOUCHES LITTLE WINE, SPIRITS OR BEER. HE LIKES TO EAT GRAPES (WHITE OR BLUE), SAVOURY BISCUITS AND NORMAL FOODS IN MODERATION. HE HAS NO GREAT APPETITE FOR READING, OUTSIDE OFFICIAL MATERIAL. HE LIKES MOST TYPES OF MUSIC, NOTABLY THE CLASSICAL REPERTOIRE, WITHOUT HAVING ANY SPECIAL FAVOURITES.

3. FOLLOWING ARE OUR OWN SUGGESTIONS FOR TALKING POINTS WITH KOHL:

(A) LOCARNO: SIXTIETH ANNIVERSARY ON 1 DECEMBER, THE EVE OF THE EUROPEAN COUNCIL. (PROFESSOR JAMES JOLL IS LECTURING IN BONN ON 2 DECEMBER ON THE SUBJECT).

(B) CHRISTMAS HOLIDAYS: WILL KOHL BE GOING TO AUSTRIA? (HE HAS A FLAT IN ST. GILGEN).

(C) KOHL'S PLANS FOR A NEW MUSEUM OF HISTORY-CUM-ART GALLERY IN BONN. (THIS IS VERY MUCH A KOHL PROJECT: TO BUILD A NEW COMPLEX ON THE MAIN ROAD BETWEEN BONN AND BAD GODESBERG, WHICH WOULD GIVE GERMANS A NEW FOCUS TO EXAMINE THEIR HISTORY (SOMETHING KOHL FEELS STRONGLY ABOUT) AND A NEW CULTURAL CENTRE IN BONN).

(D) WHAT SORT OF WINE HARVEST THIS YEAR, PARTICULARLY IN RHEINLAND-PFALZ? HAS THE GERMAN WINE-TRADE RECOVERED FROM THE GLYCOL SCANDAL? (KOHL'S HOME LAND OF RHEINLAND-PFALZ PRODUCES CONSIDERABLE QUANTITIES OF WINE AND HE IS SOMETHING OF AN EXPERT ON IT. THERE HAS BEEN NO KNOWN INSTANCE OF THE DIRECT DOCTORING OF GERMAN WINE WITH GLYCOL: WHERE GLYCOL WAS FOUND, IT WAS A RESULT OF (ILLEGAL) MIXING WITH AUSTRIAN WINES WHICH HAD THEMSELVES BEEN DOCTORED. PRELIMINARY REPORTS ARE THAT THIS YEAR'S VINTAGE IS LIKELY TO BE SMALL IN QUANTITY, BUT VERY GOOD).

(E) THE EXHIBITION OF GERMAN ART 1905-85 AT THE ROYAL ACADEMY WHICH THE PRIME MINISTER AND KOHL ARE TO VISIT. (CRITICS HAVE COMPLAINED THAT THIS OVER-EMPHASISES THE EXPRESSIONIST TRADITION TO THE EXCLUSION OF OTHER SCHOOLS. ON 26 NOVEMBER KOHL IS TO OPEN AN EXHIBITION OF 20TH CENTURY GERMAN MASTER DRAWINGS, IE MANY OF THE SAME ARTISTS AS AT THE ROYAL ACADEMY, IN THE FEDERAL CHANCELLERY IN BONN).

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(F) THE NEW BIOGRAPHY OF KOHL MENTIONED IN MY TELNO 1107 (FILMER AND SCHWAN, ECON VERLAG 1985). THIS IS A FRANK BOOK, CONTAINING EVERYTHING FROM HOW KOHL WAS BOTTOM IN MATHS AT SCHOOL TO "WHAT I DISLIKE ABOUT HIM" BY PETRA KELLY OF THE GREENS. KOHL'S PLEASURE AT THE BOOK IS ANOTHER SIGN OF HIS THICK SKIN.

(G) HIS SPEECH IN CAMBRIDGE, OF WHICH WE GATHER THE THEME IS TO BE "GERMAN FOREIGN POLICY: PERSPECTIVES FOR THE FUTURE".

BULLARD

EUROPEAN POLITICAL.
WED.



Foreign and Commonwealth Office

London SW1A 2AH

25 November 1985

Dear Charles,

Anglo-German Summit: 27 November

Correspondence rests with your letter of 21 November to Colin Budd.

The German Embassy have now confirmed who will participate on the German side. There are a number of changes. We have accordingly revised the Official Delegation List and the lists of those participating at the Plenary Session and the Prime Minister's lunch. The revised lists are:

- Annex A: Official German delegation
- Annex B: Attendance at the plenary session
- Annex C: Proposed guest list for the Prime Minister's lunch (all other members of the official German delegation will join Mr Braithwaite's lunch at Admiralty House)

Numbers have not increased.

Copies of this letter go to Richard Mottram (MOD) and Matthew Cocks (DTI).

Yours ever,
Peter Ricketts

(P F Ricketts)
Private Secretary

C D Powell Esq
10 Downing Street

ANGLO-GERMAN SUMMIT: 27 NOVEMBER.

GERMAN MINISTERS AND OFFICIALS ATTENDING (in protocol order)

Chancellor Kohl

Officials from Kanzleramt:-

Herr Friedhelm Ost (Chief Government Spokesman)

Herr Horst Teltschik (Deputy Secretary)

Herr Georg Grimm (Deputy Secretary)

Dr Walter Neuer (Assistant Secretary)

Herr Peter Hartmann (Assistant Secretary)

Herr Heinz Weber (Interpreter)

(plus 6 support staff)

Herr Genscher (Foreign Minister)

Officials from Foreign Ministry:-

Dr Gerold von Braunmuehl (Deputy Secretary)

Dr Juergen Trumpf (Assistant Under Secretary)

Dr Heinz Schnepfen (Assistant Secretary)

Herr Jürgen Chrobog (Assistant Secretary)

Herr Joachim Bitterlich (Private Secretary)

Frau Gisela Siebourg (Interpreter)

Dr Woerner (Defence Minister)

Officials from Ministry of Defence:-

Dr Karl-Helmut Schnell (Deputy Secretary)

General Roland Oppermann (Deputy Chief of Staff)

Colonel Klaus Reinhardt (Aide de Camp)

Herr Schlecht (State Secretary at the Ministry of Economics)

Officials from Ministry of Economics:-

Dr Waldemar Mueller-Thuns (Deputy Secretary)

Herr Bernd Pfaffenbach (Private Secretary)

ANGLO-GERMAN SUMMIT: 27 NOVEMBER

ATTENDANCE AT PLENARY SESSION

UK

Prime Minister
 Sir Geoffrey Howe
 Mr Heseltine
 Mr Channon

Sir Julian Bullard
 (Ambassador to Bonn)
 Mr Derek Thomas
 (DUS/FCO)
 Mr David Nicholls
 (DUS/MOD)
 Mr Nigel Brecknell
 (US/DTI)

Mr C D Powell

Mr Bernard Ingham

Mr David Dain

FRG

Chancellor Kohl
 Herr Genscher
 Dr Woerner
 Herr Schlecht

Herr Horst Teltschik (Deputy
 Secretary, Kanzleramt)
 Dr Gerold von Braunmuehl (Deputy
 Secretary, Foreign Ministry)
 Dr Karl-Helmut Schnell (Deputy
 Secretary, Ministry of Defence)
 Dr Waldemar Mueller-Thuns (Deputy
 Secretary, Ministry of Economy)
 Baron Rüdiger von Wechmar
 (FRG Ambassador)

Herr Peter Hartmann (Assistant
 Secretary, Kanzleramt)
 Herr Georg Grimm (Deputy Secretary,
 Kanzleramt)
 Herr Joachim Bitterlich
 (Assistant Secretary, Foreign
 Ministry)
 General Roland Oppermann (Deputy
 Chief of Staff, Defence Ministry)

ANGLO-GERMAN SUMMIT: 27 NOVEMBER

PROPOSED GUEST LIST FOR THE PRIME MINISTER'S LUNCH

UK

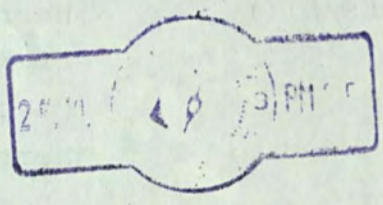
Prime Minister
 Sir Geoffrey Howe
 Mr Heseltine
 Sir Brian Hayes (PUS/DTI)
 Sir Clive Whitmore
 (PUS/MOD)
 Sir Julian Bullard
 (Ambassador to Bonn)
 Mr Derek Thomas
 (DUS, FCO)
 Mr David Williamson
 (DUS, Cabinet Office)
 Mr Charles Powell
 (PS/No 10)
 Mr Bernard Ingham
 (Press Secretary/No 10)

FRG

Chancellor Kohl
 Herr Genscher
 Dr Woerner
 Herr Schlecht
 Dr Karl-Helmut Schnell (Deputy
 Secretary, Ministry of Defence)
 Herr Horst Teltschik (Deputy
 Secretary, Kanzleramt)
 Baron von Wechmar (FRG
 Ambassador)
 Dr Gerold von Braunmuehl (Deputy
 Secretary, Foreign Ministry)
 Dr Waldemar Mueller-Thuns (Deputy
 Secretary, Ministry of Economics)
 Dr Walter Neuer
 (Assistant Secretary, Kanzleramt)
 Herr Friedhelm Ost (Chief
 Government Spokesman)
 *Herr Georg Grimm (Deputy Under
 Secretary, Kanzleramt)
 *Herr Jürgen Trumpf (Assistant
 Under Secretary, Foreign
 Ministry)
 General Roland Oppermann (Deputy
 Chief of Staff, Defence Ministry)
 *Herr Heinz Weber (Interpreter)

* Denotes person not on earlier list. Herr Grimm replaces Dr Witte, who is not attending the summit, at the lunch only. Herr Trumpf replaces Dr Jelonek, throughout the summit. Dr Ruehle and Dr Schomerus (on earlier list) are not now attending the summit.

GERMANY: Kohl's visit: Reg





*Muford
pse.*

Charles Powell, Esq.
No 10

23 November 1985

Dear Charles. cm

Robin Renwick will be submitting to the Foreign Secretary a draft minute in advance of the Anglo/German Summit next week. But it may not reach you until just before the meeting. Robin therefore asked me to let you have the enclosed extract from the draft in case you would find it useful in preparing any briefing notes for the Prime Minister.

Jam.

Stephe Wall

There has been close consultation with us on all the issues before the conference so far. It remains to be seen whether that will hold up over the next few days. But we must use Kohl's visit to ensure that it does.

Enclosures—flag(s).....

3. This is likely to be achieved if Kohl gets the impression that there is the possibility of agreement

PERSONAL & CONFIDENTIAL

with us in Luxembourg. Our positions on most of the issues are close. I hope you will emphasise the extent of this agreement to him. In particular we are agreed that:

- (a) we must get on with completion of the internal market. We both are prepared to consider an extension of majority voting to help achieve that objective;
- (b) unanimity must be maintained for all important decisions on the environment and technology;
- (c) in any procedure with the European Parliament, the Council must have the last word;
- (d) we must join forces to fight off demands from the southern member states for additional resource transfers;
- (e) we are close to agreement on a final version of the text on political co-operation.

4. Kohl will be looking for agreement in Luxembourg on the political co-operation treaty and limited treaty change, with some preambular references to European union. On the substance there is virtually nothing that need separate us. Kohl and others, however, would not accept an outcome without agreement on a procedural change for the European Parliament. The Presidency proposal falls

well short of what the Germans proposed. But they would be prepared to accept it if others could. It would not affect the institutional balance or seriously delay decision taking so long as the time limit for consideration by the Parliament is maintained; and it would leave the last word with the Council.

5. Kohl will attach importance to new articles on the environment; and so do we, for different reasons. OD(E) agreed on 20 November that we could contemplate treaty change to provide for increased majority voting to achieve our internal market objectives, subject to necessary safeguards. Unanimity must be maintained, in particular, for all measures affecting the rights and interests of employees ("social engineering") and we must get full protection for our standards of human, animal or plant health. If there is a change to majority voting in some areas of Article 100, however, it is essential that there should be a new article on the environment in order to ensure that unanimity is maintained for all measures in that area. Subject to our general reserve, this is broadly agreed in the conference.

6. I hope that you will use this meeting to ascertain Kohl's intentions about inclusion in the treaty of any reference to the EMS or to economic and monetary union. We have aligned ourselves with the Germans in opposing any treaty change in this area. But we are still getting contradictory indications from M Santer and others of

where the Germans are likely to end up. Our aim must be to ensure that the Germans do not collapse on to some language about economic and monetary union which would not be acceptable to us.

7. As with President Mitterrand, you will want to make clear that we have to work together if results are to be achieved in Luxembourg. It is in both our interests to bring this process out in a way that would set the pattern of co-operation in the enlarged Community.

PRIME MINISTER

ANGLO/GERMAN SUMMIT

The Anglo-German Summit is on Wednesday. It is rather smaller than the Anglo-French affair - only four Ministers on each side - but will follow exactly the same pattern. After lunch you and Chancellor Kohl go briefly to the Royal Academy to see the Exhibition of Modern German Art.

I suggest that your main purpose at the Summit is to let Kohl out of the penalty box for his behaviour at the Milan European Council: but to play on his guilty feelings (so far as anyone so thick skinned has them) to induce him to pay particular attention to your points of view this time round.

The first three or four hours - if you let him - will be devoted to gloating over the latest opinion polls in Germany, the state of the German economy, the fantastic sales of the latest biography of him (I am arranging to supply you with a copy. You might ask him to autograph it. He would never suspect a tease.) If you can bring him back to earth, I suggest that you start with East/West Relations and the US/Soviet Summit. This is a subject on which you can readily agree and show a united front at the press conference. You will find him interested in our intentions on participation in SDI research. He is hampered by Genscher who doesn't want Germany to take part; and is anxious not to fall too far behind us.

You will want to move on to European Community affairs. Your two main messages to him here are that you don't intend to be bounced by another case of Franco-German ganging up; and that it is no good his having unrealistic expectations of what you will be prepared to accept at Luxembourg. You are ready
/to work

to work for decisions there but a lot of what is being discussed remains well above your minimum. There will be agreement only if the more ambitious countries recognise that the best can be the enemy of the good. You will in particular want to try to nail him down tight to opposing monetary amendments to the Treaty. The best outcome would be something which you could say publicly at the press conference, to the effect that the two of you agreed that amendments on monetary matters were undesirable. You might also take him through some of the other points, with which he is unlikely to have even a passing acquaintance: internal market, technology, environment, Assembly, political co-operation, French proposal on European Union.

You will want to pin him down to a German abstention in the Falklands Vote.

Some unusual problems which he intends to raise are:

- (i) UNESCO. He wants to convince you to stay in (a bit like Daniel trying to convert the lions to vegetarianism).
- (ii) Solta~~M~~-Lueneberg Training Area. The Germans are keen to have our British Forces, but would be grateful if they would desist from training at weekends and during the summer (as far as I know, there is no corresponding agreement by the Russians not to invade then). You will want to point out that armies cannot fight if they cannot train.
- (iii) Draft dodgers in Berlin. He is in a great state because long-haired draft dodgers are flooding into Berlin where they all vote Social Democrat or worse. We cannot tamper with Berlin's demilitarized status. The problem is one for the German authorities to solve themselves, e.g. by changing call-up rules.

/(iv)

(iv) 1977 Additional Protocols to 1949 Geneva Convention.

This is so complicated even in English, let alone German, that it can safely be relegated to Ambassadors to deal with.

You might suggest that you and he make a joint visit to BAOR after the next Summit in Germany. This would rub in the point about the scale and quality of our contribution to Germany's security (though you will want to be sure that any tank he is allowed to drive is facing towards Moscow not London!)

C.D.P.

CHARLES POWELL

22 November 1985

LO3A14

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KMV (85)

COPY NO 1

25 November 1985

ANGLO-GERMAN SUMMIT
27 NOVEMBER 1985

LIST OF BRIEFS ISSUED

1. STEERING BRIEF
Brief by the Foreign and Commonwealth Office
2. HANDLING BRIEF FOR PLENARY SESSION
Brief by the Foreign and Commonwealth Office
3. EUROPEAN COMMUNITY TOPICS
Brief by the Department of Trade and Industry
4. INTERNATIONAL ECONOMIC ISSUES
Brief by HM Treasury.

Cabinet Office

25 November 1985

RESTRICTED

RESTRICTED

FILE

DA



10 DOWNING STREET

From the Private Secretary

21 November 1985

Dear Colin

ANGLO-GERMAN SUMMIT: 27 NOVEMBER

Thank you for your letter of 20 November about the arrangements for the Anglo-German Summit.

I agree with the proposed programme. I note the substantial number of support staff accompanying Chancellor Kohl. We shall have difficulty in accommodating these. As regards attendance at the Plenary Session I attach a slightly revised list. We could add one or two more on the German side for the lunch. Again I enclose a revised list.

Yours sincerely
Charles Powell

(Charles Powell)

Colin Budd, Esq.,
Foreign and Commonwealth Office.

da

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Amends - for
action

DUTY CLERK

I attach revised lists for

AR 22/11 ✓
(a) participation at the Anglo-German Summit. Could you please ask Peter Taylor to get name cards printed.

AR 22/11 ✓
(b) those who should be invited to the lunch. Would you please pass this to Mrs. Goodchild.

CJP.

(Charles Powell)

21 November 1985

*Passed to P. Taylor 22.11.85
for printing of name cards*

ANGLO-GERMAN SUMMIT: 27 NOVEMBER

PROPOSED ATTENDANCE AT PLENARY SESSION

UK

Prime Minister

Sir Geoffrey Howe

Mr. Heseltine

Mr. Channon

Sir Julian Bullard
(Ambassador to Bonn)

Mr. Derek Thomas
(DUS/FCO)

Mr. David Nicholls
(DUS/MOD)

Mr. Nigel Brecknell
(US/DTI)

Mr. David Williamson
(DUS, Cabinet Office)

Mr. C.D. Powell

Mr. Bernard Ingham

Mr. David Dain

FRG

Chancellor Kohl

Herr Genscher

Dr. Woerner

Herr Schlecht

Herr Horst Teltschik (Deputy
Secretary, Kanzleramt)

Dr. Gerold von Braunmuehl (Deputy
Secretary, Foreign Ministry)

Dr. Karl-Helmut Schnell (Deputy
Secretary, Ministry of Defence)

Dr. Waldemar Mueller-Thuns (Deputy
Secretary, Ministry of Economy)

Baron Rudiger von Wechmar
(FRG Ambassador)

Plus a maximum of four officials

*Passed to Sue Goodchild
22.11.85*

ANGLO-GERMAN SUMMIT: 27 NOVEMBER

PROPOSED GUEST LIST FOR THE PRIME MINISTER'S LUNCH

UK

Prime Minister
Sir Geoffrey Howe
Mr. Heseltine
Sir Brian Hayes (PUS/DTI)
Sir Clive Whitmore
(PUS/MOD)
Sir Julian Bullard
(Ambassador to Bonn)
Mr. Derek Thomas
(DUS, FCO)
Mr. David Williamson
(DUS, Cabinet Office)
Mr. Charles Powell
(PS/No.10)
Mr. Bernard Ingham
(Press Secretary/No.10)

FRG

Chancellor Kohl
Herr Genscher
Dr. Woerner
Herr Schlecht
Dr. Karl-Helmut Schnell (Deputy
Secretary, Ministry of Defence)
Herr Horst Teltschik (Deputy
Secretary, Kanzleramt)
Baron von Wechmar (FRG
Ambassador)
Dr. Gerold von Braunmuehl (Deputy
Secretary, Foreign Ministry)
Dr. Waldemar Mueller-Thuns (Deputy
Secretary, Ministry of Economics)
Dr. Walter Neuer (Assistant
Secretary, Kanzleramt)
Dr. Jelonek
Herr Ost
Dr. Witte
Herr Ruehle
General Oppermann
Dr. Schomerus

D. R.

CHARLES

ANGLO-GERMAN SUMMIT: PARTICIPATION

1. Michael Stark told me earlier today that Sir Robert Armstrong is not able to attend either the lunch or the plenary.
2. Sir Brian Hayes will not be attending the plenary. Accompanying Mr. Channon will be Mr. Nigel Brecknell (Under Secretary/ European and Industrial Policy Division).
3. I amended the lists accordingly. I hope this was OK.

Debbie A.
21.11.85

Debbie A.
CA



70 WHITEHALL, LONDON SW1A 2AS

01-233 8319

COO
u/xi

From the Secretary of the Cabinet and Head of the Home Civil Service
Sir Robert Armstrong GCB CVO

PS(85)26

21 November 1985

Dear Private Secretary,

Anglo-German Summit: 27 November 1985

My letter of 8 November (PS(85) 25) set out briefing arrangements for the Anglo-German Summit which is to take place on 27 November in London.

This letter is to confirm the changes to those arrangements which were agreed at MISC 76(85) 2nd Meeting:

a. In order that the briefs can take account of the debriefing from the Reagan/Gorbachov meeting to be given at the North Atlantic Council today, the deadline for briefs is extended to 4.00 pm tomorrow, Friday 22 November, AT THE VERY LATEST.

b. The list of briefs to be produced has been reduced, and the revised list is attached.

Advice on the format, copying and addressing of the briefs remains unchanged from my earlier letter.

I am sending copies of this letter to the Private Secretaries to Sir Antony Acland, Sir Peter Middleton, Sir Clive Whitmore, Sir Brian Hayes, Sir Michael Franklin, Sir Peter Lazarus, Mr P L Gregson, Sir Brian Cubbon, Mr T M Heiser, Sir David Hancock and Sir Robin Nicholson, and to Charles Powell at No 10.

Yours sincerely,

(Signed) ROSALIND MULLIGAN
Assistant Private Secretary

REVISED LIST OF BRIEFS FOR ANGLO-GERMAN SUMMIT
27 NOVEMBER 1985

<u>KMV(85)</u>	<u>Subject</u>	<u>Lead Department</u>	<u>In consultation with</u>
1.	General brief (to include international issues and annexes covering the programme, internal scene and personality notes)	FCO(WED)	as appropriate
2.	Handling Brief for Plenary Session	FCO(WED)	as appropriate
3.	International Trade Problems (GATT Round, Protectionism, Relations with the United States and Japan)	DTI	FCO Cabinet Office
4.	International economic issues (to include debt and other issues affecting relations between industrialised and developing countries)	Treasury	FCO, DTI

RESTRICTED



Foreign and Commonwealth Office

London SW1A 2AH

20 November 1985

Dear Charles,

Anglo-German Summit: 27 November

Please refer to my letter of 6 November and your reply of the same date.

The programme has been changed from that enclosed with my letter under reference to take account of the Prime Minister's wish to leave the Royal Academy by 1515. I attach a revised outline.

Travel

We have considered the possibility of using helicopters for the journey from RAF Northolt but have decided against doing so. The Police are confident that on a mid-week day and with additional motorcycles to clear the road the journey will take under 40 minutes.

Participation

I attach at Annex A a complete list of the German delegation. Annex B is a list of Ministers and officials who we propose should attend the Plenary Session. We suggest that those listed by name should be placed at the table, with the extra officials sitting behind. Annex C is a proposed guest list for the Prime Minister's lunch. We have put these lists to the German Embassy, who have promised to confirm their agreement as soon as possible.

I understand that you have agreed with the DTI that Herr Schlecht (official State Secretary at the Ministry of Economics, substituting for Herr Bangemann) will be matched by Mr Channon at the Plenary Session and by Sir Brian Hayes at the Prime Minister's lunch.

Interpretation

We are arranging for simultaneous translators to be available at the Plenary Session and the press conference. Mr Rudi Lederer will interpret at the Prime Minister's tete-a-tete.

/Press Conference

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Press Conference

We have suggested to the Germans that accompanying officials at the press conference should be as few as possible. We expect Sir Julian Bullard to be the only official on the British side.

Our News Department has been in touch with your Press Office about the arrangements for photcalls on arrival.

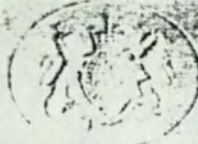
I am copying this letter to Richard Mottram (MOD) and Matthew Cocks (DTI).

*Yours ever,
C R Budd*

(C R Budd)
Private Secretary

C D Powell Esq
PS/10 Downing Street

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ANGLO-GERMAN SUMMIT: 27 NOVEMBER

Programme

0815	Ministers and officials arrive at) RAF Northolt)	Met by
0820	Chancellor Kohl arrives at) RAF Northolt)	Sir Geoffrey Howe
0900-1030	Heads of Government tete-a-tete Bilaterals commence	
1030-1100	Heads of Government joined by Foreign Ministers	
1100-1145	Plenary	
1200-1245	Joint press conference by Heads of Government at Institution of Civil Engineers	
1300	- Lunch (working lunch attended by all participating Ministers and a few key officials) - Lunch for other officials, hosted by Mr Braithwaite, No 11 Downing St or Admiralty House	
1430	Leave Downing St for the Royal Academy Visit "German Art in the Twentieth Century" at the Royal Academy	
1515	Depart the Royal Academy; Chancellor Kohl for Cambridge; Prime Minister for House of Commons	
approx 1645	Chancellor Kohl arrives Cambridge	
1800	Address the Cambridge Union	
1915	Dinner at Queen's Club	
2030	Depart Cambridge for Marshalls Airport	
2045	Departure for Cologne/Bonn	

GLO-GERMAN SUMMIT: 27 NOVEMBER.

GERMAN MINISTERS AND OFFICIALS ATTENDING (in protocol order)

Chancellor Kohl

Officials from Kanzleramt:-

Herr Horst Teltschik (Deputy Secretary)

Herr Georg Grimm (Deputy Secretary)

Dr Walter Neuer (Assistant Secretary)

Herr Peter Hartmann (Assistant Secretary)

Herr Friedhelm Ost (Chief Government Spokesman)

Herr Heinz Lieber (Interpreter)

(plus 6 support staff)

Herr Genscher (Foreign Minister)

Officials from Foreign Ministry:-

Dr Gerold von Braunmuehl (Deputy Secretary)

Dr Alois Jelonek (Deputy Secretary)

Dr Barthold Witte (Deputy Secretary)

Dr Heinz Schnepfen (Assistant Secretary)

Dr Klaus-Peter Klaiber (Assistant Secretary)

A press spokesman

Frau Gisela Siebourg (Interpreter)

Dr Woerner (Defence Minister)

Officials from Ministry of Defence:-

Dr Karl-Helmut Schnell (Deputy Secretary)

Herr Hans Ruehle (Deputy Secretary)

General Roland Oppermann

Colonel Klaus Reinhardt

Herr Schlecht (State Secretary at the Ministry of Economics)

Officials from Ministry of Economics:-

Dr Waldemar Mueller-Thuns (Deputy Secretary)

Dr Lorenz Schomerus (Deputy Secretary - attendance not yet confirmed)

Herr Bernd Pfaffenbach (Private Secretary)

ANGLO-GERMAN SUMMIT: 27 NOVEMBER

PROPOSED ATTENDANCE AT PLENARY SESSION

UK

Prime Minister
Sir Geoffrey Howe
Mr Heseltine
Mr Channon

~~Mr. Williams (Cabinet Office)~~
~~Sir Robert Armstrong~~
~~(PS/Cabinet Office)~~

Mr Derek Thomas
(DUS/FCO)
Mr David Nicholls
(DUS/MOD)
Sir Brian Hayes
(PUS/DTI)

Sir Julian Bullard
(Ambassador to Bonn)

~~Mr. Williams (Cabinet Office)~~

Plus a maximum of four
officials (including
notetaker)

Mr. C. D. Powell
Mr. Bernard Hughes
Mr. David Davis

FRG

Chancellor Kohl
Herr Genscher
Dr Woerner
Herr Schlecht

Herr Horst Teltschik (Deputy
Secretary, Kanzleramt)
Dr Gerold von Braunnuehl (Deputy
Secretary, Foreign Ministry)
Dr Karl-Helmut Schnell (Deputy
Secretary, Ministry of Defence)
Dr Waldemar Mueller-Thuns (Deputy
Secretary, Ministry of Economy)
Baron Rudiger von Wechmar
(FRG Ambassador)

Plus a maximum of four
officials

ANGLO-GERMAN SUMMIT: 27 NOVEMBER

PROPOSED GUEST LIST FOR THE PRIME MINISTER'S LUNCH

UK

Prime Minister
 Sir Geoffrey Howe
 Mr Heseltine
 Sir Brian Hayes (PUS/DTI)
 Sir Clive Whitmore
 (PUS/MOD)
 [Sir Robert Armstrong]
 (PS/Cabinet Office)
 Sir Julian Bullard
 (Ambassador to Bonn)
 Mr Derek Thomas
 (DUS, FCO)
 Mr David Williamson
 (DUS, Cabinet Office)
 Mr Charles Powell
 (PS/No 10)

Mr. Bernard Hughes, No. 10

FRG

Chancellor Kohl
 Herr Genscher
 Dr Woerner
 Herr Schlecht
 Dr Karl-Helmut Schnell (Deputy
 Secretary, Ministry of Defence)
 Herr Horst Teltschik (Deputy
 Secretary, Kanzleramt)
 Baron von Wechmar (FRG
 Ambassador)
 Dr Gerold von Braunmuehl (Deputy
 Secretary, Foreign Ministry)
 Dr Waldemar Mueller-Thuns (Deputy
 Secretary, Ministry of Economics)
 Dr Walter Neuer
 (Assistant Secretary, Kanzleramt)

Dr. Tebnek

Herr Ost

Dr. Witte

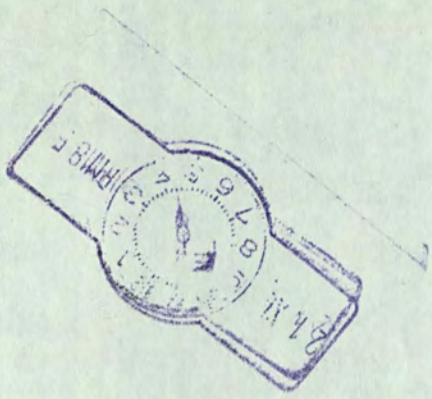
Herr Auehle

Gherd Opperman
 erman

~~A~~

Dr. Schomerys.

(1+)



Germany: Visits
of Kohl. PE9



FILE

cc: P.C.

RM.

10 DOWNING STREET

From the Private Secretary

19 November, 1985

ANGLO-GERMAN SUMMIT

As you will have heard, we have had to cancel the Prime Minister's briefing meeting on the Anglo-German Summit. There is no possibility of finding an alternative time for it.

This makes it all the more important that the briefs should be cogent and manageable in size, given that the Prime Minister will have only very limited time for reading them. The steering brief - which may be all she will read - should cover the points which she will need to raise personally with Chancellor Kohl.

I am copying this letter to Colin Budd (Foreign and Commonwealth Office), Rachel Lomax (HM Treasury), John Mogg (Department of Trade and Industry) and Richard Mottram (Ministry of Defence).

(C.D. Powell)

M. Stark, Esq.,
Cabinet Office.

BM

B. R.

FCO need to be asked when BF ~~will~~

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list is coming, so we can match

ANGLO-GERMAN BILATERALS

this up with it.

Mr. Channon's office in Trade rang yesterday to say that he would attend the Plenary Session and Sir Brian Hayes would attend the working lunch.

BF

Charles informs me that we have not invited anybody yet. Can you look out for the list from the Foreign Office and attach this note to the FCO letter to remind Charles to take action re Mr. Channon.

CAROLINE RYDER

19 November 1985

et. Briefing meeting cancelled.
(was 26/11/85)
The briefing may be cancelled anyway because of the N.I. Debate.

7

CONFIDENTIAL

GRS 800

CONFIDENTIAL

FM BONN

TO PRIORITY FCO

TELNO 1107

OF 181730Z NOVEMBER 85

INFO ROUTINE PARIS, UKREP BRUSSELS

INFO SAVING EAST BERLIN

YOUR TELNO 619: ANGLO-GERMAN SUMMIT 27 NOVEMBER: MEETING WITH KOHL

1. I SAW KOHL ALONE FOR 45 MINUTES THIS AFTERNOON. AS USUAL HE TALKED A LOT, THIS TIME MAINLY ABOUT A NEW BIOGRAPHY OF HIMSELF BASED ON DOZENS OF HOURS OF INTERVIEWS WITH CHILDHOOD FRIENDS ETC, WHICH HE SAID GAVE THE LIE TO THE PICTURE OF HIM PAINTED BY THE HOTHOUSE PRESS IN BONN. !!!

2. AFTER THANKING HIM FOR THE GERMAN GOVERNMENT'S STATEMENT ON THE ANGLO-IRISH AGREEMENT (MY TELNO 1100) I STARTED TO GO THROUGH OUR IDEAS ON THE ANGLO-GERMAN SUMMIT. HE HAD EVIDENTLY NOT FOCUSSED MUCH ON THIS, BUT ACCEPTED MY SUGGESTION THAT THERE WOULD BE 3 MAIN OBJECTIVES: TO HARMONISE BRITISH AND GERMAN POSITIONS IN ADVANCE OF THE EUROPEAN COUNCIL IN LUXEMBOURG, TO ASSESS THE RESULTS OF GENEVA AND TO TAKE STOCK (WITH POSSIBLE IMPROVEMENTS) OF THE ANGLO-GERMAN RELATIONSHIP. HE LOOKED FORWARD TO HEARING THE PRIME MINISTER'S FORECAST FOR 1986, ECONOMIC AND POLITICAL. !

EC QUESTIONS

3. KOHL SAID HE WAS BRACING HIMSELF FOR A TWO-HOUR BATTLE THIS EVENING WITH DELORS, MOSTLY ON MONETARY COOPERATION. (LONG DIGRESSION ABOUT PEOPLE WHO IMAGINE THEY CAN GET KOHL TO DO THINGS BY PUTTING HIM UNDER PRESSURE OR BY GOING BEHIND HIS BACK: IT SEEMED TO BE THE FIRST OF THESE THAT DELORS WAS ACCUSED OF.) KOHL AGREED WITH ME THAT TREATY AMENDMENT ON THIS POINT WAS NOT DESIRABLE AND THAT THE REAL NEED WAS TO LIBERALISE CAPITAL MARKETS WHERE THIS HAD NOT YET HAPPENED.

4. KOHL DID NOT RECOGNISE THE WORDS COHESION/DIFFERENTIATION, BUT PUT IN A SCORNFUL REFERENCE TO PAPANDREOU, HIS SPEECH IN MOSCOW AND THE NOTION THAT SOME MEMBER STATES SHOULD DEFEND EUROPE WHILE OTHERS BUSIED THEMSELVES WITH MAKING MONEY OUT OF IT. I SUGGESTED THAT ALL THAT WAS REQUIRED WAS BETTER CO-ORDINATION OF THE EXISTING STRUCTURAL FUNDS. HE NODDED.

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5. KOHL AGREED THAT THERE WAS EVERY REASON TO HOPE THAT A TREATY ON EUROPEAN POLITICAL COOPERATION AND SECURITY COULD BE READY IN TIME FOR LUXEMBOURG. I ASKED HOW IMPORTANT WAS THE QUESTION OF A SECRETARY-GENERAL, AND HE REPLIED 'BETTER DROP IT'. HIS ONLY CONCERN WAS THAT NEITHER THIS NOR EUREKA (SEE BELOW) SHOULD FALL INTO THE HANDS OF THE COMMISSION.

6. I THOUGHT IT WISE TO MENTION THE EUROPEAN PARLIAMENT, MAKING OUR TWO POINTS ABOUT NOT CHANGING THE BALANCE BETWEEN THE INSTITUTIONS AND ABOUT THE COUNCIL HAVING THE LAST WORD. HE EMPHATICALLY ENDORSED THE LATTER, AND SAID THAT THIS WOULD BE THE EFFECT OF THE GERMAN PROPOSAL.

EAST-WEST RELATIONS

7. KOHL SPOKE ABOUT A VISIT BY HONECKER AS IF IT WERE SOMETHING LIKELY TO HAPPEN SOONER OR LATER. BUT HE WOULD IN NO CIRCUMSTANCES AGREE TO MAKE A RETURN VISIT TO HONECKER IN EAST BERLIN, AND THIS WAS THE UNDERSTANDING ON WHICH HONECKER WOULD COME TO BONN IF HE CAME AT ALL.

ANGLO-GERMAN RELATIONS

8. I PAINTED A CHEERFUL PICTURE OF THESE, WHICH KOHL ENDORSED, NOT LEAST IN THE DEFENCE FIELD. HE HAD NOT FORGOTTEN HIS PROMISE TO VISIT BFG AND SAID HE WOULD TRY TO DO SO IN THE SPRING. (HE LET SLIP THAT HE AND MITTERRAND WOULD BE VISITING FRENCH FORCES IN SOUTH WEST GERMANY IN JANUARY.) HE SHOOK HIS HEAD OVER THE EFA AFFAIR, MARVELLING THAT DASSAULT'S INTERESTS SHOULD HAVE BEEN ABLE TO PREVAIL AGAINST THOSE OF FRANCE. HE REPEATED THAT THE LUFTWAFFE'S REQUIREMENT CAME FIRST IN HIS EYES, EXPORT POSSIBILITIES SECOND. I ASKED HOW SERIOUS HE THOUGHT MITTERRAND'S OFFER OF A 5-10 PER CENT FRENCH PARTICIPATION, BUT HE AVOIDED ANSWERING.

9. I SAID THAT THE ONE THING THAT MIGHT CAST A SHADOW ON OUR SUMMIT WAS FOR THE FRG TO VOTE FOR THE ARGENTINE RESOLUTION ON THE FALKLANDS. KOHL LOOKED BLANK, SO I WENT THROUGH THE ARGUMENTS. HE SAID HE WOULD BRIEF HIMSELF.

OTHER QUESTIONS

10. KOHL SAID HE WOULD BE GLAD TO TALK TO THE PRIME MINISTER ABOUT EUREKA, BUT DID NOT SOUND AS IF HE HAD MUCH NEW TO SAY. THE TWO IMPORTANT THINGS FOR HIM WERE FIRST, THAT THE COMMISSION SHOULD NOT TAKE EUREKA OVER: GERMAN INDUSTRY WOULD NOT STAND FOR HAVING THEIR PROJECTS 'BRUSSELISED': HENCE THE PROPOSAL FOR STRASBOURG AS THE

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SIT

CONFIDENTIAL

SITE OF ANY SECRETARIAT: SECONDLY, UNLIKE SDI, THERE WERE A LOT OF EUREKA PROJECTS WHICH WOULD NOT GET OFF THE GROUND WITHOUT SOME GOVERNMENT FINANCE. AN EXAMPLE WAS THE PROPOSED LINK BETWEEN DATA CENTRES. KOHL ADDED THAT THE FRG MIGHT BE IN A DIFFERENT POSITION FROM BRITAIN BECAUSE INSTITUTES SUCH AS THE MAX PLANCK WERE JURIDICALLY INDEPENDENT OF THE STATE BUT HEAVILY FINANCED BY IT.

11. ON DRAFT DODGERS SEE MY MIFT.

BULLARD

FCO PLEASE PASS SAVING TO EAST BERLIN.

REPEATED AS REQUESTED

BPLNAN 0727

LIMITED

WED

ECD(E)

ECD(I)

RID

SCD

SOVIET D

DEFENCE D

FID

ESSD

ACDD

PLANNING STAFF

PS

PS LADY YOUNG

PS MR EGGAR

MR DEREK THOMAS

MR SAMUEL

³
CONFIDENTIAL



10 DOWNING STREET

DP.

M. Channon
Plenary Session

a

See Brian Hayes
to working lunch

Message from
DIT for
German B: Cereals!

CR.

These
wait till
FCO send
a list.
or

CCP

CDP
11/2

Treasury Chambers, Parliament Street, SW1P 3AG
01-233 3000

8 November 1985

Charles Powell Esq
10 Downing Street
LONDON
SW1

Dear Charles,

ANGLO-GERMAN SUMMIT

Len Appleyard's letter of 6 November contains recommendations for attendance by other Ministers at the Summit discussions on 27 November.

My letter of 10 June set out the difficulties of attendance for the Chancellor on this occasion about which your reply of 11 June expressed understanding (copies attached for convenience).

In the event we believe that Stoltenberg will himself not be able to be in the German party on 27 November. The Chancellor and he do, however, both expect to meet at the ECOFIN Council on 18 November. These contacts will be supplemented at senior official level by the discussions that will be taking place in the G5 and Monetary Committees in November: and we are hosting a joint discussion of EC Budget issues here in London.

I am copying this letter to Len Appleyard.

Yours ever
Rachel

RACHEL LOMAX
Principal Private Secretary



Accurate
prop.

10 DOWNING STREET

From the Private Secretary

11 June 1985

Dear Rachel,

BILATERAL SUMMITS WITH FRANCE AND GERMANY

Thank you for your letter of 10 June. I am sorry to hear that the details of the proposed bilateral summits are not convenient for the Chancellor. But I detect from your letter that he will find the hardship of being unable to attend them bearable.

I am copying this letter to Len Appleyard in the Foreign and Commonwealth Office.

Yours sincerely,
Chris Bell
(C. D. POWELL)

CHECKED	
REC.	11 JUN 1985
BY	MR LITTLER
COPIES TO	CST, FST, MST, EST
	SIR P. MIDDLETON
	MR UNWIN
	MR LAVELLE, MR FITCHAM
	MR MORTIMER
	MR HOPKINSON

12/6

Mrs. Rachel LOMAX
HM Treasury.



cc Sir P Middleton
 Mr Littler
 Mr Fitchew
 Mr Lavelle
 Mr Pratt
 Mr Unwin

Treasury Chambers, Parliament Street. SW1P 3AG *psr*
 01-233 3000

Mr Powell
 No 10 Downing Street
 LONDON SW1

10 June 1985

Dear Charles,

BILATERAL SUMMITS WITH GERMANY, FRANCE AND ITALY

We have seen a copy of FCO telegram No 202 to Bonn of 15 May proposing dates for the proposed summits with the Italians, French and Germans in the autumn.

Although it will presumably be decided nearer the time whether Finance Ministers are to participate, I should let you know now that the dates proposed are likely to be very difficult for the Chancellor.

First, as you know, he will be heavily pre-occupied with the usual preparation for the Autumn Statement at the end of October and during November.

Second, at present meetings of the ECOFIN Council are scheduled for 28 October and 18 November. The latter would preclude attendance of Finance Ministers at the Anglo-French Summit; and the former would probably make their attendance at the Anglo-Italian Summit unnecessary. These meetings in any case usually provide a more productive occasion for discussion of current Community and bilateral issues between Finance Ministers.

I am copying this letter to Len Appleyard at the FCO.

*Yours ever
 Rachel.*

RACHEL LOMAX
 Principal Private Secretary

GERMANY: Chancellor Kohl's visits: P29





am

70 WHITEHALL, LONDON SW1A 2AS

01-233 8319

From the Secretary of the Cabinet and Head of the Home Civil Service

Sir Robert Armstrong GCB CVO

PS(85)25

8 November 1985

Dear Private Secretary,

Anglo-German Summit: 27 November 1985

This letter sets out the briefing arrangements for the Anglo-German Summit which is to take place on 27 November 1985 in London.

The list of briefs to be prepared, with an indication of Departmental responsibility, is at Annex A. Instructions on format which apply to all briefs except 1 and 2 for which a slightly different format is required, 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.

80 copies of each brief should be sent to the Cabinet Office as soon as they are ready. In any case they should reach the Cabinet Office by noon on Friday 22 November, AT THE VERY LATEST. They should be addressed to Mr A S Victory 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 Peter Middleton, Sir Clive Whitmore, Sir Brian Hayes, Sir Michael Franklin, Sir Peter Lazarus, Mr P L Gregson, Sir Brian Cubbon, Mr T M Heiser, Sir David Hancock and Sir Robin Nicholson, and to Charles Powell at No 10.

Yours sincerely,

(Signed) ROSALIND MULLIGAN
Assistant Private Secretary

LIST OF BRIEFS FOR ANGLO-GERMAN SUMMIT
27 NOVEMBER 1985

<u>KMV(85)</u>	<u>Subject</u>	<u>Lead Department</u>	<u>In consultation with</u>
1.	General brief (to include international issues and annexes covering the programme, internal scene and personality notes)	FCO(WED)	as appropriate
2.	Handling Brief for Plenary Session	FCO(WED)	as appropriate
3.	European Community Topics		
	a. Intergovernmental Conference and Prospects for the December European Council	FCO(ECD(I))	Cabinet Office DTI
	b. International Trade Problems (GATT Round, Protectionism, Relations with the United States and Japan)	DTI	FCO Cabinet Office
4.	EUREKA and bilateral science and technology issues	Cabinet Office	DTI, FCO(ESSD)
5.	East/West relations (including Inner-German relations and Berlin)	FCO(Soviet D/ WED)	MOD
6.	Arms control and disarmament	FCO (ACDD/ Defence)	MOD
7.	European defence co-operation (including WEU and bilateral defence co-operation)	FCO (Defence)	MOD
8.	International economic issues (to include debt and other issues affecting relations between industrialists and developing countries)	Treasury	FCO, DTI
9.	Bilateral relations (including cultural package)	FCO(WED)	as appropriate

THE FOLLOWING INSTRUCTIONS ABOUT FORMAT SHOULD BE FOLLOWED CAREFULLY

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 whenever 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.

Lavout

- (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 KMV(85) 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 plain 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 KMV(85) 10 Revise)). Subsequent revises should be numbered (eg KMV(85) 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 KMV(85) 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

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KMV(85) [Serial No as specified in Annex A] COPY NO [in red]
[Date]

ANGLO-GERMAN SUMMIT
27 NOVEMBER 1985

[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 Energy, not a subordinate section or
division]

[Date of origin]

[CLASSIFICATION]

Ref. A085/2857

MR POWELL *ed* *7/ki*

Anglo-French and Anglo-German Summits

Sir Robert Armstrong would like to be present at the Plenary Session of both the above Summit meetings on 18 and 27 November. He would also like to attend the working lunch on 18 November (he has another engagement for lunch on 27 November, but could break it if you thought his attendance desirable).

MS

M C STARK

7 November 1985

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MS2 BHP



apc

10 DOWNING STREET

From the Private Secretary

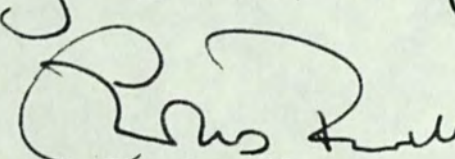
6 November 1985

Dear Len,

ANGLO-GERMAN SUMMIT

Thank you for your letter of 6 November about the arrangements for the Anglo-German Summit. I am grateful for the proposals all of which are acceptable except that the joint meeting with Foreign Ministers should be timed to end at 1100 even if in practice it runs fifteen minutes over.

I also agree that the press conference should be in the Great Hall of the Institute of Civil Engineers.

Yours sincerely,

Charles Powell

Len Appleyard Esq
Foreign and Commonwealth Office.

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Foreign and Commonwealth Office

London SW1A 2AH

6 November 1985

*Dear Charles,*Anglo-German Summit

Work is in hand to prepare for the Anglo-German Summit on 27 November. The purpose of this letter is to seek your views on programme and participation, following your telephone conversation with the Chancellor's office this morning.

Programme

If we follow the outline on which you and Neuer reached tentative agreement some time ago, the programme would look something like this:

0815	Chancellor Kohl arrives at RAF Northolt
0900-1030	Heads of Government tete-a-tete
1030-1115	Heads of Government joined by Foreign Ministers
1130	Plenary (one report only to the Plenary from each pair of Ministers)
1230	Joint press conference by Heads of Government
1315	Lunch (working lunch attended by all participating Ministers and a few key officials)
1500	Visit to Royal Academy (your letter of 2 August).

After the Summit Kohl will depart for Cambridge where he will speak to the University Union. Herr Genscher is joining Sir Geoffrey Howe that evening for further talks and dinner at Chevening.

The Secretary of State proposes to greet Dr Kohl on his arrival at RAF Northolt. Lady Young, who will accompany the Chancellor to Cambridge, will bid him farewell.

We suggest that the Press Conference be held in the Great Hall of the Institute of Civil Engineers.

/ Participation



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Participation

The Foreign Secretary recommends attendance by the central group of Ministers who have attended previous Summits, comprising Foreign Ministers and Ministers of Defence, Treasury/Finance and DTI/Economics.

We have heard that Dr Riesenhuber, who might have come for talks with Mr Brittan and Mr Pattie (your letter to Timothy Abraham of 2 October), will be occupied with Parliamentary business and unable to leave Bonn.

I am copying this letter to the Private Secretaries of Ministers who may be involved and to PS/Sir Robert Armstrong.

Yours wvs,

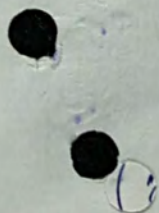
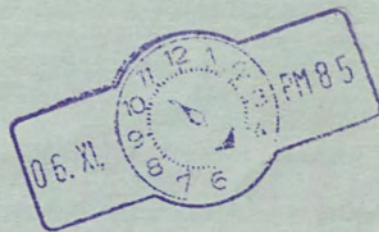
Le Appleyard

(L V Appleyard)
Private Secretary

C D Powell Esq
10 Downing Street

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for Victoria
Hawaii



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10 DOWNING STREET

From the Private Secretary

MISS MULLIGAN
CABINET OFFICE

ANGLO-GERMAN SUMMIT

You asked if I had any comments on the list of briefs enclosed with Sir A. Acland's letter of 28 October to Sir R. Armstrong.

The Summit comes at a particularly busy time for the Prime Minister, even by her standards. I think it most unlikely that she will have time to read anything other than the steering/general brief. It is essential therefore that this should cover all the main issues which she is expected to raise with Chancellor Kohl.

It would also be helpful to have a short handling brief for the plenary session, which would identify particular issues on which she might ask departmental ministers to focus in reporting their separate discussions.

I am copying this minute to Sherard Cowper-Coles in Sir A. Acland's office.

CHARLES POWELL

1 November 1985

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Sir Antony Acland KCMG KCVO
Permanent Under-Secretary of State

Foreign and Commonwealth Office

London SW1A 2AH

CABINET OFFICE
A 8691.....
30 OCT 1985
FILING INSTRUCTIONS
FILE NO.

28 October 1985

Sir Robert Armstrong GCB CVO

CABINET OFFICE

C. Mr. Jay

o Mr Powell - any comments on the list of briefs?

Mr. Manning

31:10:85

My dear Robert,

ANGLO-GERMAN SUMMIT: 27 NOVEMBER 1985

Introduction

1. This letter sets the scene for the Anglo-German summit which will take place on 27 November in London. The last summit was on 18 January in Bonn, having been postponed from November 1984 owing to Mrs Gandhi's assassination. The Prime Minister met Chancellor Kohl informally on 18 May at Chequers mainly to discuss EC issues.

Anglo-German Relations

2. 1985 has seen some uneven passages with the Germans owing to disagreement over the substance and presentation of certain Community issues. Differences over the own resources/enlargement link, the environment (in particular vehicle emissions), and the Common Agricultural Policy were prominent early in the year. The German failure to consult us in the run up to the Milan European Council, and events there, reflected the desire of both France and Germany to maintain their special relationship as a prime motive force in the Community, in which they did not wish to see Britain taking the dominant role. Kohl and Genscher often present their European aspirations in rhetoric which strike us as woolly and unrealistic. But there have in recent months been signs that the lessons of Milan were not wasted on the Germans and that this may benefit both the future handling of EC issues and Anglo-German relations which are otherwise good. The German decision to participate in the European Fighter Aircraft project despite the French decision to opt out was an example of the closeness of our interests and our ability to work to promote them.

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3. We see the summit as an opportunity to:
 - (a) coordinate our positions at the highest level before the European Council, achieve as much understanding as possible of each other's points of view and create mutual confidence; and
 - (b) publicise the value we attach to developing even closer contacts at all levels between governments and those outside government (noting inter alia the State Visit by President von Weizsaecker in July 1986 and plans to encourage more contacts between young people).

Political and Economic Scene in the FRG

4. The coalition's inability to reduce unemployment (9.3%), coupled with Kohl's loose grip on events and weak management of his government, have cost the CDU votes. They took heavy losses in the elections in May in North Rhine Westphalia, where a third of the FRG electorate live. Since then Kohl and his Ministers have tried to talk up the economy and have introduced limited measures to tackle unemployment. With booming exports and investment, around 2.5% growth, and scarcely 2% inflation, the economy is in good shape. There is growing optimism that continued growth will at last have some impact on the numbers of unemployed.
5. Kohl's problem has been to translate this picture into political credit. The good news is too often obscured by gaffes which many see as a combination of bad management and bad luck. He is not helped by the attempts of his coalition allies, the CSU and FDP, to distance themselves from the CDU.
6. Earlier in the summer, Kohl was on the ropes but he was far from being counted out; and he is taking less punishment now. The spy scandal has died away. The SPD will almost certainly field Rau, a plausible moderate, as their candidate for the Chancellorship in the January 1987 election, which may be a closer contest than seemed likely last year. But while Rau looks good, his party does not. The "Red/Green" alliance now emerging to govern Hesse is likely to be exploited by the CDU. It will confirm the FDP in their alliance with the CDU/CSU, to which they are committed until after the next election. At national level the Greens have lost momentum. The betting must be on a CDU Chancellor retaining office for the next several years.



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Summit Context

7. The summit takes place one week after the Reagan/Gorbachev summit (and the Prime Minister's meeting with President Mitterrand), and one week before the Luxembourg European Council. Other international events in close proximity are the Hanover Eureka meeting on 5-6 November, the WEU Ministerial on 14 November, and the NATO Ministerial on 12-13 December. The UNGA Falklands vote is due on the day of the Summit. Official meetings leading up to it include my own with Dr Meyer-Landrut here on 8 November, and discussions planned between Rodric Braithwaite and David Williamson and their opposite numbers. Bilateral talks on the bilateral defence relationship are due to take place in Bonn on 4 November at a higher level than has been the case in the past.

Participation

8. The initiative for Ministerial attendance lies with the Prime Minister. While a firm decision has yet to be taken, the Foreign and Commonwealth Secretary, the Chancellor of the Exchequer and the Secretaries of State for Trade and Industry and Defence have the date noted in their diaries. For the first time Ministers directly responsible for Research and Technology (Mr Pattie's counterpart is a Cabinet Minister) are likely to attend. The Germans may press for attendance by Environment Ministers (Interior Minister Zimmermann on their side). The German team are expected to arrive around 0815 allowing talks to begin at 0900. The plenary session is unlikely to start before 1145, and we envisage the joint press conference after a working lunch.

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Main Themes

9. The main areas of discussion are likely to be:

(i) East/West and Arms Control

Kohl will certainly wish to discuss the prospects for East/West relations and arms control negotiations following the Reagan/Gorbachev summit. He may well raise Inner-German relations. Honecker's visit to Bonn, cancelled last year, could be reinstated if the Reagan/Gorbachev summit creates the right atmosphere and if the Soviet campaign against alleged signs of "revanchism" continues to abate.

Kohl would like to persuade the US to show more negotiating flexibility on the Strategic Defence initiative, and to ensure that SDI developments do not undermine the strategy of deterrence in which the Germans invested so much political capital during the debate on the deployment of intermediate nuclear forces. While we need not quarrel with this approach, we may need to restrain Kohl from pushing for further work within WEU on the strategic implications of SDI, with the risk of opening divisions within the Alliance. The Germans see symbolic as well as substantial value in our joint initiative on MBFR, and will continue to regard arms control as an important area of Anglo-German cooperation. European defence collaboration should also feature in the discussions; we already work closely with the Germans on a number of projects besides the EFA.

(ii) The European Community

EC discussions will be dominated by plans for handling at the Luxembourg European Council of the work of the Inter Governmental Conference. So far our tactic of not revealing our hand while waiting to see others' proposals, has worked well. The German position has proved less forthcoming than some of their optimistic utterances. There is less than full agreement in Bonn between departments. By the time the summit takes place we shall want to try to reach a common view on whatever package is likely to emerge. There will have been a series of bilateral official exchanges in preparation for this, and we could end

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up close to the Germans on decision-making. Their proposals on the European Parliament are nearer to our own thinking than those of the Commission.

(iii) Eureka

Ministers are likely to want to review the outcome of the Hanover Ministerial meeting, and discuss preparations for the meeting in the UK probably in June 1986. Our positions have become closer, though the Germans wish to include projects with a longer lead time, perhaps involving public funding. Our approach favours more market-oriented enterprises. The Germans are anxious to announce projects early, and will probably have done so at Hanover.

(iv) Economic Issues

Heads of Government may choose to touch on the efficacy of growth and employment strategies at a similar point in the election cycle in both countries. The Germans have resisted pressure both at home and from some quarters abroad to reflate at the expense of their strategy of consolidation. On international issues we share a similar approach to the new GATT round, debt and the Baker Plan, and over the US deficit. Our position on EC/US trade problems is also fairly close, although the Germans tend to drag their feet in EC discussion of how to put pressure on Japan to deal with their trade surplus. We shall need to stress the importance of getting the Japanese to give quantifiable commitments to increase imports. Elsewhere discussion may focus on how best to coordinate tactics towards third countries.

(v) Other International Issues

We may wish to discuss more briefly the following:

(a) South Africa - where the Germans are our closest if not very forthright partner in opposing economic sanctions. There are differences of emphasis between Genscher and Kohl on this issue. Kohl's opposition to sanctions being very much firmer than that of his Foreign Minister.

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(b) Middle East - a sensitive subject in Germany: their relations with Israel can be complicated by major arms sales to Saudi Arabia.

(c) Falklands/Argentina - the Germans have been reassuring about their voting intentions at UNGA, but a soft Argentine text and signs of French wavering might weaken their will.

(d) Central America - a fortnight after the San José follow-up meeting in which Genscher has a special interest.

(e) UNESCO - a decision on British withdrawal is unlikely to have been taken by the time of the Summit. The Germans are likely to lobby in favour of our staying in.

(f) CERN - as the major CERN contributor, the Germans may voice concern at the possibility of a reduction in the British subscription.

Press Handling

10. The summit will be announced a week beforehand (after the visit of President Mitterrand). A sustained effort with the press will be needed in the days before the summit to focus attention on it. There will be a pre-Summit briefing of the British press and London-based German correspondents by senior officials, and consideration will be given to a television or press interview by the Prime Minister for broadcast/publicity in Germany. Special care will be needed in handling the Summit press conference, which will be the best occasion of the year to bring out publicly the quality and depth of the bilateral relationship. We shall aim:

(a) on EC issues to emphasise the close working relationship between us.

(b) on East/West matters for Heads of Government to present a joint assessment of post-Summit prospects. We shall explore with the Germans in advance how to handle questions about the SDI and UK/German participation in it.

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(c) on scientific cooperation we can represent the attendance for the first time of Ministers responsible for Research and Technology as crowning an excellent year and can further stress the closeness of our commitment to, and cooperation over, Eureka.

(d) on bilateral matters we aim to publicise a package of measures to promote youth contacts, following from the work of the Special Representatives for Anglo-German contacts and cooperation appointed in accordance with the declaration at the May 1984 summit. Public endorsement of the package by Heads of Government will be important for those non-Governmental organisations who will be implementing it. We may be in a position also to bring out the extent of our bilateral collaboration in the defence field.

11. We would value advice from Whitehall Departments on other special areas of cooperation to which attention might be drawn at the press conference.

12. Afterwards it is planned that the Prime Minister and Chancellor Kohl will together visit the Royal Academy post-1905 German Art Exhibition. Kohl will then depart for Cambridge to give a lecture on German Foreign Policy to the University Union. Genscher will be joining Sir Geoffrey Howe for dinner at Chevening that evening, when there will be opportunity to raise any issues not covered at the Summit.

/ 13. I attach a suggested list of briefs for the summit. I should be grateful if any comments on this list or on the contents of this letter could reach me by Monday 4 November.

/ 14. I am sending copies of this letter to Permanent Secretaries on the attached list.

Yours ever

Anthony

Anthony Acland

ANGLO-GERMAN SUMMIT, 27 NOVEMBER 1985

DRAFT LIST OF BRIEFS

SUBJECT	LEAD DEPT	IN CONSULTATION WITH
1) General brief (to include international issues and annexes covering the programme, the internal scene and personality notes)	FCO (WED)	Others as appropriate
2) European Community Topics		
a) General Community brief (to include preparations for European Council)	FCO (ECD(I))	MAFF, DTI, Treasury Cabinet Office
b) IGC	FCO (ECD(I))	Cabinet Office
c) External Trade Issues (including GATT, EC/US, EC/Japan)	DTI	FCO (ECD(E)), Treasury
d) Community financing	Treasury	FCO (ECD(I))
e) Community agricultural matters (including Mediterranean policy)	MAFF	FCO (ECD(I)), Treasury
3) EUREKA and bilateral science and technology issues	Cabinet Office	DTI, FCO (ESSD)
4) East/West relations (including Inner-German relations and Berlin)	FCO (Soviet D/ WED)	MOD
5) Arms control and disarmament	FCO (ACDD/Defence)	MOD
6) European defence cooperation (including WEU and bilateral defence cooperation)	FCO (Defence)	MOD
7) International economic issues (to include debt and other issues affecting relations between industrialists and developing countries)	Treasury	FCO, DTI
8) Bilateral relations (including cultural package)	FCO (WED)	As appropriate



cc:

Sir Peter Middleton KCB
HM Treasury

Sir Clive Whitmore KCB CVO
MOD

Sir Brian Hayes KCB
DTI

Sir Michael Franklin KCB CMG
MAFF

Sir Peter Lazarus KCB
Dept of Transport

P L Gregson Esq CB
Dept of Energy

Sir Brian Cubbon KCB
Home Office

T M Heiser Esq CB
Dept of the Environment

Sir David Hancock KCB
Dept of Education and Science



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10 DOWNING STREET

From the Private Secretary

2 October 1985

ANGLO-GERMAN SUMMIT: LONDON, 27 NOVEMBER

The Prime Minister has seen Mr. Pattie's minute of 30 September in which he suggests that it would be useful to include research and technology on the agenda for the Anglo-German Summit.

The Prime Minister agrees that we should do so and also to Mr. Pattie's participation in the Summit discussions.

I am copying this letter to Colin Budd (FCO) and to Sir Robin Nicholson.

(Charles Powell)

Tim Abraham, Esq.,
Department of Trade and Industry.

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PRIME MINISTER

Yes not

Prime Minister
This seems very
sensible.
Agree to Mr.
Pattie's inclusion?

ANGLO-GERMAN SUMMIT: LONDON, 27 NOVEMBER

I am seeking your approval for talks on research and technology, and in particular EUREKA, to be included on the agenda of this autumn's Anglo-German Summit and that I, being closely identified in German eyes with EUREKA should support the Secretary of State for Trade and Industry at the Summit.

CDP
1/x

Talks on research and technological collaboration with the Germans would be particularly timely at the end of November, some three weeks after the next EUREKA ministerial meeting. Since Germany will have hosted that meeting and we intend hosting the following one, discussion at the Summit will enable us to consider bilaterally the next moves on EUREKA. I would hope, and expect, that Dr Riesenhuber, Federal German Minister for Research would be in the German delegation if EUREKA were discussed. My presence in your team would, I believe, give a clear indication of the importance we attach to technological collaboration and, in particular, EUREKA. We have succeeded in emphasizing the market aspects of EUREKA, well supported on the whole by the Germans, and the Summit will help maintain concentration on how we would like EUREKA to develop.

I would be grateful therefore if you could agree to the inclusion of research and technology on the agenda for the Anglo-German Summit and my inclusion in your team.

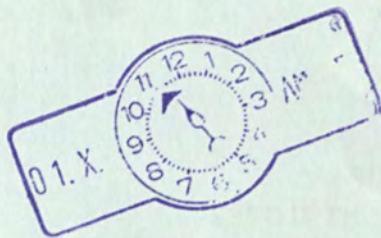
I am copying this minute to the Secretary of State for Foreign and Commonwealth Affairs and to Sir Robin Nicholson.

[Handwritten signature]

GEOFFREY PATTIE

30 September 1985

SE5/SE5AAE



WINDY-GRAPE SUMMIT: LONDON, 27 NOVEMBER

[Faint, illegible handwritten text]



10 DOWNING STREET

From the Private Secretary

2 August 1985

Dear John,

ANGLO/GERMAN SUMMIT: ROYAL ACADEMY EXHIBITION

Thank you for your letter of 24 July.

The Prime Minister accepts the Foreign Secretary's advice that she should attend the 20th Century German Art Exhibition with Herr Kohl during the Anglo-German Summit on 27 November. I should be grateful if you could arrange for the German Government and the organisers to be informed, making the point to the latter that we would not want any publicity for it at this stage for security reasons.

b/c

I am copying this letter to Paul Thomas (Chancellor of the Duchy of Lancaster's Office).

yes nicely,
Charles Powell

(Charles Powell)

C.R. Budd, Esq.,
Foreign and Commonwealth Office.

dg



Foreign and Commonwealth Office

London SW1A 2AH

24 July 1985

GR? (1)

Dear Charles,

Anglo/German Summit: Royal Academy Exhibition

Thank you for your letter of 16 July, seeking advice on the Germans' suggestion that the Prime Minister and Chancellor Kohl pay a brief visit to the Royal Academy 20th Century German Art Exhibition after the Anglo/German Summit on 27 November.

The Foreign Secretary considers this an excellent idea. I understand that arrangements for the exhibition, a major event in the Royal Academy's calendar, are progressing well. A visit by the Prime Minister and Chancellor Kohl as joint patrons would be welcome and appropriate. It would add lustre to the exhibition and be an eye-catching demonstration of Anglo/German cooperation.

I am copying this letter to Paul Thomas (Chancellor of the Duchy of Lancaster's Office).

Yours ever,

Colin Budd

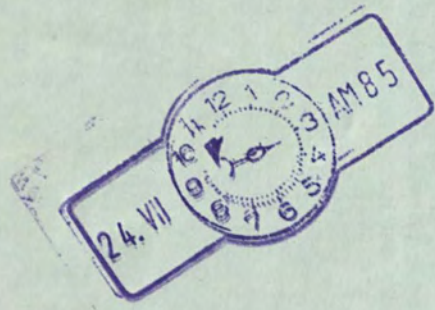
(C. R. Budd)
Private Secretary

C D Powell Esq
10 Downing Street

Prime Minister

The proposal is that at the

Yes - better than talking of the Anglo-German summit
not you & Herr Kohl should pay a
20-minute visit to the Royal Academy
to see the 20th Century German Art Exhibition,
of which you are co-Presidents.
Agree? C.D.P. 30/7.



REV. ALICE H. HARRIS

1000 1/2 BROADWAY, NEW YORK, N.Y. 10018

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10 DOWNING STREET

From the Private Secretary

21 June 1985

Dear Colin,

ANGLO/GERMAN SUMMIT, 27 NOVEMBER

Herr Neuer from Chancellor Kohl's office telephoned this morning to confirm 27 November for the next Anglo-German summit in London.

He envisages a programme beginning with arrival at Northolt at 0815, meetings from 1245, press conference and lunch. After lunch the Chancellor may travel to Cambridge where he has been invited to speak by the Cambridge Union and the Cambridge Conservative Association.

My recollection is that we had expected the meeting to be in Bonn, though I have no objection to it being here, indeed it is easier. The sort of programme envisaged by Neuer causes no difficulty.

I am copying this letter to Rachel Lomax (HM Treasury), John Mogg (Department of Trade and Industry), Richard Mottram (Ministry of Defence), Ivor Llewellyn (Ministry of Agriculture, Fisheries and Food) and Richard Hatfield (Cabinet Office).

Yours sincerely
C. D. Powell

(C. D. POWELL)

C. R. Budd, Esq.,
Foreign and Commonwealth Office.

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TO IMMEDIATE FCO
TELEGRAM NUMBER 508 OF 19 MAY

CHANCELLOR KOHL'S VISIT TO CHEQUERS, 18 MAY.

1. DURING THE FLIGHT HOME KOHL WAS IN EXCELLENT SPIRITS, RHAPSODISING ABOUT CHEQUERS AND TALKING MAINLY ABOUT 19TH CENTURY EUROPEAN HISTORY. WHAT HE HAD TO SAY ABOUT THE TALKS WITH THE PRIME MINISTER ADDED NOTHING TO THE ACCOUNT WHICH HE GAVE YOU BEFORE DINNER. HE OBVIOUSLY FELT THAT HE HAD HAD A GOOD DAY AND AGREED WITH THE PRIME MINISTER ABOUT MOST OF THE POINTS DISCUSSED, EVEN THOUGH NOT ABOUT THE POWERS OF THE EUROPEAN PARLIAMENT AND THE SCHEME FOR GIVING FINANCIAL AID TO POLISH AGRICULTURE.

BULLARD

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10 DOWNING STREET

a MASTER SET

From the Private Secretary

19 May 1985

Dear Sir,

PRIME MINISTER'S MEETING WITH CHANCELLOR KOHL : OTHER SUBJECTS

I enclose a record of the Prime Minister's discussion with Chancellor Kohl covering the Economic Summit, Economic and Social issues, the European Fighter Aircraft, the Polish Church Agricultural Scheme, the EC/Turkey Association Agreement and India/Pakistan.

I am copying this letter and enclosure to Rachel Lomax (HM Treasury), Richard Mottram (Ministry of Defence), John Mogg (Department of Trade and Industry) and to Richard Hatfield and David Williamson (Cabinet Office).

Yours sincerely,
Charles Powell

(Charles Powell)

L.V. Appleyard, Esq.,
Foreign and Commonwealth Office.

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D. R.

PRIME MINISTER'S MEETING WITH CHANCELLOR KOHL: OTHER ISSUES

Present:

Prime Minister	Chancellor Kohl
Mr. D.F. Williamson	Herr Ruhfus
Mr. C.D. Powell	Herr Teltschik

Economic Summit

Chancellor Kohl said that his main conclusion from the Bonn Economic Summit was that it was a mistake for Heads of Government to try to tackle too many disparate subjects. He had found the informal discussions over meals of the greatest use and also the session on economic policies between Heads of Government alone on the first morning. Much of the remainder had been frustrating and unproductive. His advice to Mr. Nakasone would be to try to take fewer subjects but go into them in greater depth at the Tokyo Economic Summit. The Prime Minister agreed generally while commenting that it had been very important to have a thorough discussion of protectionism and a new GATT multilateral trade round at the Summit. She agreed that the Summit should not turn into a review of current foreign policy issues, although it was bound to focus on any current crisis.

Economic and Social Issues

Chancellor Kohl commented that of the 2.3 million unemployed in the Federal Republic at least 500,000 were not genuine unemployed. There was much abuse of the social security system. The Prime Minister suggested that there should be a full discussion of unemployment and the future of social security systems at the next European Council. Most European governments faced the same problems. But efforts to speak frankly about them were often misrepresented. There were some things which it was easier for governments to say together than individually. Government policies were often judged by unemployment figures which were not a true measure of the state of their economies. For instance one factor in causing unemployment was that those in work demanded too much in pay and other benefits. The United States seemed better able to discriminate between the genuinely unemployed and those who were taking advantage of the social security system. Chancellor Kohl said that the basic problem for the Federal Republic was that it had lived above its means for the past twenty years. It was partly a moral problem: people no longer observed standards. He agreed with the Prime Minister that it would be useful to discuss these issues at a future European Council.

European Fighter Aircraft

The Prime Minister said that there were attractions in a European fighter aircraft because of the potential savings of collaboration. But it was more important to ensure that the aircraft met the strategic requirements than that it should sell in world markets. There must also be fair arrangements for production. The United Kingdom was very strong in engine technology. It was also a fact that, while both France and the Federal Republic already had the headquarters of collaborative aircraft projects, the United Kingdom did not. She hoped that this would be taken into account in deciding the location of the headquarters of the European Fighter Aircraft project. She was not very happy with the way

discussions seemed to be going but understood that co-operation between the British and German Defence Ministers and their officials was very close. She hoped that this would continue.

Chancellor Kohl said that the Federal Republic also wanted the European fighter aircraft and hoped that none of the countries involved would fall back on national arrangements. He would speak again to President Mitterrand to urge that France should be more co-operative. He agreed that Britain and Germany should work closely together. It was just as important to maintain collaboration on civil aircraft production.

Polish Church Agricultural Scheme

Chancellor Kohl said that he attached very great political importance to a Community contribution to this Scheme. He understood that the Parliament had provided 5m ecu in the revised Community Budget for 1985. He hoped that the United Kingdom would be able to accept this when it came back to the Budget Council. The Prime Minister pointed out that the Council's Budget Committee had voted not to put money in the Budget because there was no legal basis for the expenditure. Moreover, although the United Kingdom was contributing to rescheduling of Poland's debts, she did not think it appropriate for the Community as such to be involved with the Church Scheme. It was of course open to individual member states to make contributions if they so wished. Chancellor Kohl pressed the Prime Minister very strongly to reconsider her position before the Budget Council.

EC/Turkey Association Agreement

Chancellor Kohl said that the European Community's Association Agreement with Turkey provided for free access for Turkish workers from 1986. It was vital to the Federal Republic to see this access restricted. He would welcome the United Kingdom's help when it came to discussing a mandate for

negotiation. The Prime Minister said that we would be prepared to look sympathetically at this.

India/Pakistan

Chancellor Kohl said that the Federal Republic had had worrying indications that Pakistan might be developing a nuclear weapon and that India might be tempted to take pre-emptive action to prevent this. The Prime Minister said that there had indeed been speculation about this, though President Zia always denied it when challenged. Prime Minister Gandhi had mentioned to her his worries on this score. She agreed that it was potentially a dangerous situation.

e.d.?

19 May 1985

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bc: PC ✓

10 DOWNING STREET

ca MATHER SET

From the Private Secretary

19 May 1985

Dear Sir,

PRIME MINISTER'S MEETING WITH CHANCELLOR KOHL: EAST/WEST
RELATIONS, ARMS CONTROL AND STRATEGIC DEFENCE INITIATIVE

I enclose a copy of the record of that part of the Prime Minister's meeting with Chancellor Kohl which deals with East/West Relations, Arms Control and the Strategic Defence Initiative.

I am copying this letter and enclosure to Richard Mottram (Ministry of Defence), to Rachel Lomax (HM Treasury) and to Richard Hatfield and David Williamson (Cabinet Office).

*yours sincerely,
Charles Powell*

(Charles Powell)

L.V. Appleyard, Esq.,
Foreign and Commonwealth Office.

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PRIME MINISTER'S MEETING WITH CHANCELLOR KOHL, 18 MAY:
EAST/WEST RELATIONS AND STRATEGIC DEFENCE INITIATIVE

Present:

Prime Minister	Chancellor Kohl
Mr. D.F. Williamson	Herr Ruhfus
Mr. C.D. Powell	Herr Teltschik

East/West Relations

The Prime Minister said that a perennial problem in dealing with the Soviet Union was to know how seriously the Soviet leadership took their own propaganda about the threat of a United States attack on their territory. In good part it was just propaganda to justify the repressive nature of Soviet communism and heavy expenditure on defence. But she thought that there was also an element of genuine fear in it. This latter aspect was fed by the sort of hawkish statements made by Mr. Perle and those who thought like him. The Prime Minister continued that she thought Mr. Gorbachev would remain an orthodox communist both at home and abroad. If in due course he introduced any changes in the Soviet system or Soviet policies they would be limited and largely tactical: any more substantial change of direction would put the whole communist system at risk.

Chancellor Kohl said that it was hard to predict what Gorbachev would actually do. In one sense, it was luck which had brought him to the summit of the Soviet system. Equally,

it would be a mistake to underestimate him. His education gave him the sort of outlook which was recognisable to the West European mind and this should make him easier to talk to than the earlier generations of Soviet leaders. The older men in the Soviet leadership could still topple Gorbachev if they so wished, but every day worked in his favour. His first aim was clearly to consolidate his position. It was clear that Tikhonov would not last much longer and it would be interesting to see whether Gorbachev took over his functions. Equally, Gromyko appeared unlikely to stay long. He had been reported as making unfriendly comments about Gorbachev, describing him as having the "teeth of a snake".

Chancellor Kohl continued that Gorbachev faced some difficult problems in the Soviet Union, not just the perennial economic problems but changes in public attitudes. Public opinion had increasingly to be taken into account: some 50 per cent of the Soviet Union's people had been born since 1945. Discipline in the Red Army was not what it used to be. There were reports of drug problems among Soviet soldiers in the GDR. The growing difference in living standards between Eastern Europe and the Soviet Union would be an increasing source of embarrassment to the Soviet leadership. He agreed with the Prime Minister that there were not going to be major changes in Soviet policy in the short term. None the less, he thought that the pressures on the Soviet leadership for change would grow.

Chancellor Kohl said that he agreed with the Prime Minister that there was an element of genuine fear in Soviet propaganda about the threat of an attack from the West. He also agreed that the Americans tended to say things which helped fuel Soviet fears.

Arms Control

The Prime Minister said that she was concerned by recent American statements suggesting that they might decide to ignore the SALT II constraints. It would have a very bad

effect if the Americans appeared to be reneging on existing arms control limitations. We were making our concern known to the US Administration at a high level and hoped that others would support us. The Prime Minister continued that she had the impression that neither side at Geneva had a proper plan of negotiation. Gorbachev had probably not yet turned his mind fully to the negotiations. The Americans too seemed to lack a clear strategy. There seemed little prospect that the next session would lead to much progress: it would be a further diplomatic minuet. While we supported the Americans on SDI research, it was essential that they should be seen to negotiate realistically in parallel for reductions in offensive nuclear weapons at all levels. Equally, pressure must be kept up on the Soviet Union over chemical weapons where the West had a clear propaganda advantage.

Chancellor Kohl said he agreed completely with the Prime Minister's analysis. Progress at Geneva was very important if public opinion in Western Europe was to be reassured. West European governments should use their influence with the United States to help achieve this. Basically he was optimistic. He believed that President Reagan, because of his reputation as a supporter of strong defence, could achieve things in the arms control field which weaker Presidents could never do.

Strategic Defence Initiative

The Prime Minister recalled that, in their last discussion, she and the Chancellor had agreed that both their Governments supported research into the Strategic Defence Initiative and that both wished to participate in that research. When she had discussed this further with President Reagan in Bonn, he had made clear that he expected arrangements for such participation to be initiated directly with companies or research institutes rather than between governments. She thought it was inevitable that this would be how participation worked out in practice, although there might be advantage in reaching understandings at government level as

U. R.

a framework. It would also be important for the European countries which were interested in participation to co-ordinate with each other. She understood that the Federal German Government were intending to send a group of experts to Washington to discuss participation. She hoped that the United Kingdom would shortly do the same. It would be helpful to keep each other in touch.

The Prime Minister continued that she thought that the United States had got further with SDI research than most people realised and now believed that a viable system was feasible, although it would certainly not provide a complete defence and it would take many years to translate the research results into actual military systems. She thought it very important to encourage the United States to remain within the limits of the ABM Treaty. This was why, at Camp David, she had seen her principal task as to get the United States to say publicly that if research led to deployment, there must be negotiations under the ABM Treaty. We were encouraging the Americans to reaffirm the ABM Treaty in the Geneva negotiations or at least to use it as the basis for negotiating limitations on future defensive systems.

Chancellor Kohl said that it was regrettable that the Strategic Defence Initiative had been so ineptly presented by the Americans. In his view, the project was both morally and materially justified. But there was a great risk of throwing out the baby with the bath water. Those in Western Europe who opposed the policy of nuclear deterrence were citing the Strategic Defence Initiative in support of their arguments. The fact was that we would have to rely on the deterrent at least for the rest of the century. It was important to explain to the US Administration the effects of some of their public statements about the Strategic Defence Initiative on opinion in Europe.

Chancellor Kohl continued that one difficulty in discussing the Strategic Defence Initiative was to know what the Americans were really seeking. Different members of the

Administration seemed to have different objectives. But he was working on the assumption that the Strategic Defence Initiative would be realised, probably under the next US President but one. He thought that support for it in Congress would grow as individual Congressmen competed for the benefits of research and production for their districts. As regards participation in research, the key was to ensure that there was give and take. Otherwise, the Americans would simply drain off European knowledge and scientific skills without returning any of the results. It was for this reason that he saw advantage in those European countries which were interested in participation working closely together to secure particular "chapters" of the research for European firms. He did not disagree that detailed arrangements would be negotiated with companies. But it was important not to leave them to deal in isolation with the United States. Co-ordination of the European response was not a matter for the European Community and he certainly did not wish to see any new agency created. But he thought that some European countries did have a significant contribution to make: and that European participation in the Strategic Defence Initiative offered an opportunity to get rid of the technological inferiority complex vis-à-vis the United States.

The Prime Minister said that she understood Chancellor Kohl's reasoning but was dubious whether the United States would agree to a significant transfer of technology. In the end, Europe's contribution to the SDI was bound to be very small in comparison with the investment which the Americans would be making. But she recognised that the Americans were keen to secure Europe's participation and this gave us some negotiating leverage. The only disagreement between her and the Chancellor was how best to bring this leverage to bear. She hoped that they could stay closely in touch on the subject.

ODP

19 May 1985



10 DOWNING STREET

Germany Set

bc: PC ✓

a MASTER SET

From the Private Secretary

19 May 1985

Dear Gen,

PRIME MINISTER'S MEETING WITH CHANCELLOR KOHL:
DEVELOPMENT OF THE EUROPEAN COMMUNITY

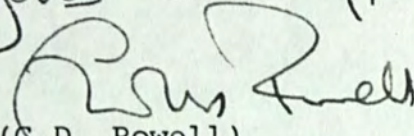
I enclose a record of the Prime Minister's discussion with Chancellor Kohl on the development of the European Community.

In general the discussions went well and the Chancellor seemed well content - and perhaps a bit relieved - by what he heard (an exception being the European Parliament). He appeared keen to work up proposals which the FRG and the UK could sponsor jointly at Milan, preferably also drawing in the French. I was struck that he never once, in the course of the day, referred either to European Union or a new Treaty.

In the course of the discussions, the Prime Minister handed over to Chancellor Kohl and his accompanying officials the British draft of an Agreement on political co-operation and timetable for completion of the internal market. After the meeting, I gave Herr Ruhfus and Herr Teltschik copies of the draft conclusions for the European Council on decision taking, since the Prime Minister had drawn extensively on these in the discussions. On the Prime Minister's specific instructions, we did not hand over the draft conclusions on the Luxembourg Compromise or on the European Parliament.

It was agreed that there should be very early discussions between officials on the British papers and also on the question of a technological Community. Discussions on the latter should involve Sir Robin Nicholson on our side. They should take place late next week after the Foreign Secretary has met M. Dumas but before Chancellor Kohl's meeting with President Mitterrand on 28 May.

I am copying this letter and enclosure to Rachel Lomax (HM Treasury), John Mogg (Department of Trade and Industry) Henry Steel (Law Officers' Department) and David Williamson (Cabinet Office). It should be given only a very restricted distribution within departments.

Yours sincerely,

(C.D. Powell)

Len Appleyard, Esq.,
Foreign and Commonwealth Office

PRIME MINISTER'S MEETING WITH CHANCELLOR KOHL:
DEVELOPMENT OF THE EUROPEAN COMMUNITY

Present:

Prime Minister	Chancellor Kohl
Mr. D.F. Williamson	Herr Ruhfus
Mr. C.D. Powell	Herr Teltschik

The Prime Minister said that the future development of the European Community would be the main issue for the European Council at Milan in June. She had been giving thought to how best to organise work on this. She did not think that an Inter-Governmental Conference would help. It might also raise exaggerated expectations. Rather to her surprise, she had found that President Mitterrand shared this view. It would be better to use the mechanism of the European Council itself. This had served the Community well over the two years since the Stuttgart Council.

The Prime Minister continued that there were two main areas where she thought that substantial progress was possible. The first was political co-operation. We had worked up the text of a formal Agreement on Political Co-operation which she wanted to give Chancellor Kohl in confidence. We had not yet shown this to anyone else, and she would prefer knowledge of it to be closely restricted. It covered consultation on both political and security questions. Such an Agreement would represent a major step forward towards common European positions and action on international questions. The second area was completion of the internal

market on which we had worked out a timetable for action. She would give the Chancellor a copy. The Commission were also working on such a timetable.

Chancellor Kohl thanked the Prime Minister for the documents and suggested that his officials have a first look at them straight away. He had a few immediate comments. He certainly did not want an Inter-Governmental Conference for its own sake. If the European Council in Milan was able to reach agreement in principle it would be necessary to put officials to work on the details, so there could be agreement at the December European Council. It did not much matter how one described this follow-up. But if no progress were made at Milan, there would be no point in a follow-up meeting.

Chancellor Kohl continued that he very much agreed with the Prime Minister on the desirability of a formal Agreement on Political Co-operation. We would not find Germany an obstacle to that, though others such as Greece and Denmark might be more difficult. He hoped very much that the United Kingdom, France and the FRG could get together to work up ideas which all three of them could sponsor at the Milan European Council. He therefore urged us to put our ideas to the French as well. The Prime Minister said that the Foreign Secretary would do so shortly to M. Dumas.

Chancellor Kohl said that he was fully in favour of a timetable for work on the internal market. The goal of completion by 1992 had been approved by the European Council. The Dooge Committee had done some useful work and the Commission were committed to producing a paper. Germany would not be an obstacle even though it had difficulties over insurance. There should be priority too for liberalisation of transport and capital transfers. The Prime Minister said that the Commission must not be allowed to make tax harmonization or approximation a condition of completion of the internal market. Chancellor Kohl continued that he did not think that M. Delors' ideas on monetary union were helpful or realistic. A much closer convergence of economic policies had to be

achieved first.

Chancellor Kohl said that one area in which he believed there were differences between Britain and the FRG was institutional reform. He had no major proposals to make in this field. But he did not think that the European Parliament could remain in its present state. There was also the question of the veto, which might be maintained for financial questions (he spoke of a "financial veto"). But he wanted to make clear that financing was not a particular problem for Germany: he recognised that the FRG would remain the main paymaster of the Community.

Chancellor Kohl continued that an issue of particular concern to him was to achieve a more effective European voice on defence and security issues. There were at present two Europes: one for trade and one for defence. The Prime Minister pointed out that Article 8 of the British draft Agreement provided for consultation in this field. Chancellor Kohl said that he would study the draft on this point. He was open to any suggestion that would work. An alternative which he had considered would be to use the WEU. This would avoid problems over Greece and Ireland. The Prime Minister said that she had two instinctive reactions to this: it was a mistake to try to separate foreign policy and security (Chancellor Kohl agreed); and there was a risk of alienating the US and Canada. It would be disastrous if the effect were to reduce their commitment to the Alliance. There was also the position of Turkey and Norway to be considered: and the fact that Spain and Portugal might well want to be associated with co-operation on security questions. Chancellor Kohl acknowledged these factors. He was already concerned about the dangers to the Northern flank. The Prime Minister referred to the difficulties caused by France's absence from NATO's integrated military structure. Chancellor Kohl denied that this was a major problem. The French were doing everything short of integration, for instance co-ordinating their military exercises with those of NATO forces.

When discussion resumed after a break to read the documents which the Prime Minister had handed over, Chancellor Kohl said that he thought that the Federal Republic would be able to agree broadly with them. There should be early discussions between senior officials. He hoped that France could also be drawn in. But on political co-operation and the internal market, his reaction to the British ideas was basically positive.

Chancellor Kohl continued that one aspect which he and the Prime Minister had not yet covered was that of a technological Community. The French clearly attached great importance to this and would probably provide proposals for discussion at Milan. The Dooge Committee had also covered this subject. The Prime Minister said that French ideas were imprecise. The basic problem in Europe was not a shortage of research but inability to exploit it. She would be reluctant to set up yet another agency. There was scope for greater co-operation between companies, which governments could facilitate. It was also important to ensure full access to the Community market, including public procurement, for the products of European high technology firms. She proposed that there should be further contacts between British and German officials on this.

Chancellor Kohl reverted to the issue of decision-taking. The Prime Minister said that it was clear that no member state would agree to be voted down when a very important national interest was at stake. This had been demonstrated in the last few days by the Federal Republic. There had to be consensus on the really important issues. But on other matters there was a tendency to apply the majority voting provisions of the Treaty as though they required unanimity. This could be corrected: and more use could be made of abstentions. Another possibility would be for the European Council to adopt each year a statement of priorities for action with a timetable for reaching decisions, with agreement not to insist on unanimity. Unless the Community made more use of the existing majority voting provisions, it would prove

difficult to reach decisions in the enlarged Community. The Prime Minister continued that she saw no need to alter the Treaty: all that was necessary could be achieved by altering current practice within the Treaty. Chancellor Kohl acknowledged that there would always be cases where vital national interests were involved. But the veto should not be invoked too often.

Chancellor Kohl asked whether the Prime Minister saw scope for increasing the powers of the European Parliament. The Prime Minister said that she did not. The Spinelli proposals, if ever implemented, would paralyse the Community. Nor could she conceive of granting the European Parliament revenue-raising powers. That was a matter for national parliaments. Chancellor Kohl suggested that it would be impossible to maintain a position in which a directly elected Parliament had only consultative powers. The Prime Minister disagreed. The Parliament already had important powers, arguably too many, for instance in the budgetary process. Unfortunately it showed no sign of using these powers responsibly. There were a few minor respects in which it could be given a fuller role: more use of its right to make proposals for Community legislation, in consultation with the Commission, and improvements in the conciliation procedure. But the Council must always have the last word. Chancellor Kohl agreed on the final point. But the Parliament's frustration would increase and it would decline in quality unless it were given greater powers. This was a point on which he and the Prime Minister disagreed. Fuller discussion would be needed.

Chancellor Kohl asked whether the United Kingdom proposals for formalising political co-operation provided for a Secretary-General. The Prime Minister said that there would be a modest secretariat but there was no provision for a Secretary-General. It was essential to avoid too much bureaucracy.

Chancellor Kohl asked what would happen if some member states of the Community refused to accept a formal Agreement on Political Co-operation. Would it be possible for those who were ready to take part to go forward on their own. The Prime Minister said that this would require careful thought.

EDP.

19 May 1985



bc: PCV

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10 DOWNING STREET

19 May 1985

From the Private Secretary

Dear An,

PRIME MINISTER'S MEETING WITH CHANCELLOR KOHL AT CHEQUERS ON SATURDAY 18 MAY

The Prime Minister held discussions with Chancellor Kohl at Chequers on Saturday 18 May. Apart from a short break to watch the closing stages of the Cup Final, they talked from 1230 to 1900 hours. Those present were, on the German side, Herr Ruhfus and Herr Teltschik: on our side, Mr. Williamson and me.

I am circulating separate records to those concerned covering:

- a) East/West Relations, Arms Control and the Strategic Defence Initiative;
- b) the development of the European Community
- c) other items touched on during the day, notably the Economic Summit, economic and social questions, EC/Turkey, European Fighter Aircraft, Polish Church Agricultural Scheme and India/Pakistan.

I am copying this letter to Rachel Lomax (HM Treasury), Richard Mottram (Ministry of Defence) John Mogg (Department of Trade and Industry) and David Williamson (Cabinet Office).

Yours sincerely,
C.D. Powell

(C.D. Powell)

Len Appleyard, Esq.,
Foreign and Commonwealth Office

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cc PC

10 DOWNING STREET

From the Private Secretary

19 May 1985

Dear Sir,

CHANCELLOR KOHL'S VISIT TO CHEQUERS, 18 MAY: LOCARNO

Thank you for your letter of 17 May about Chancellor Kohl's plans for marking the 60th Anniversary of the Locarno Treaty.

The Chancellor did not mention this to the Prime Minister at Chequers.

Yours sincerely,
C.D. Powell

(C.D. Powell)

Colin Budd, Esq.,
Foreign and Commonwealth Office

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10 DOWNING STREET

From the Private Secretary

19 May 1985

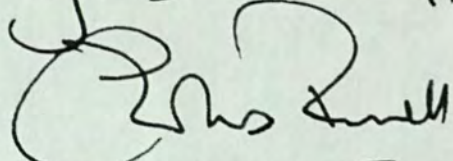
Dear Colin,

PRIME MINISTER'S TALKS WITH CHANCELLOR KOHL

Thank you for your letter of 17 May about the form of the agreement on political co-operation which had been prepared for discussion with Chancellor Kohl.

The Prime Minister was not convinced that it would be right to describe the agreement as a Treaty. In consequence the version we handed over to the Germans simply describes the agreement as a "draft" on political co-operation. Outside the main discussion Herr Ruhfus and Herr Teltschik asked whether it would be a "Vertrag". We said that it was important to agree first on the content, leaving the form for later consideration. We also pointed out that the word which the Prime Minister had used throughout the discussions with the Chancellor was agreement. She had also made clear that it would be an inter-governmental agreement and not part of Community law.

I am copying this letter to David Williamson in the Cabinet Office.

Yours sincerely,

(Charles Powell)

Colin Budd, Esq.,
Foreign and Commonwealth Office.

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LIST OF GUESTS ATTENDING THE DINNER TO BE GIVEN BY THE PRIME MINISTER
AND MR. DENIS THATCHER IN HONOUR OF HIS EXCELLENCY DR. HELMUT KOHL,
CHANCELLOR OF THE FEDERAL REPUBLIC OF GERMANY ON SATURDAY, 18 MAY 1985
AT 7.15 PM FOR 7.45 PM AT CHEQUERS ~~ON THE~~ BLACK TIE

The Prime Minister
and Mr. Denis Thatcher

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

Dr. Jürgen Ruhfus State Secretary

His Excellency the Ambassador of the Federal Republic of Germany
and Baroness von Wechmar

Herr Horst Teltschik Deputy Secretary

Dr. Walter Neuer First Counsellor

Rt. Hon. Sir Geoffrey Howe, MP

Rt. Hon. Lord Carrington
and Lady Carrington

Herr Martin Kaindl

Sir Nicholas Henderson
and Lady Henderson

Professor Raymond Carr St. Antony's College, Oxford
and Mrs. Carr

Sir Julian Bullard HM Ambassador, Bonn
and Lady Bullard

Mr. David Williamson
and Mrs. Williamson

Mr. Charles Powell
and Mrs. Powell

REVISED SEATING PLAN FOR DINNER ON SATURDAY, 18 MAY 1985

Mr. David Williamson

Mrs. Powell

Dr. Walter Neuer

Sir Nicholas Henderson

Lady Bullard

Mrs. Carr

HE The German Ambassador

Rt. Hon. Sir Geoffrey Howe

Lady Carrington

HE DR. HELMUT KOHL

MR. DENIS THATCHER

PRIME MINISTER

Baroness von Wechmar

Herr Martin Kaindl

Rt. Hon. Lord Carrington

Dr. Jürgen Ruhfus

Lady Henderson

Sir Julian Bullard

Herr Horst Teltschik

Professor Raymond Carr

Mr. Charles Powell

Mrs. Williamson

ENTRANCE

10. R.
DRAFT SEATING PLAN FOR LUNCH ON SATURDAY, 18 MAY

Mr. Charles Powell

Herr Horst Teltschik

Dr. Jürgen Ruhfus

HE DR. HELMUT KOHL

PRIME MINISTER

Frau Gisela Siebourg

Mr. Lederer

Mr. David Williamson

Dr. Walter Neuer

ENTRANCE

FIRST PARAGRAPH ABOUT REACHING SOLUTIONS WITHIN A REASONABLE TIME WHICH CAN BE ADOPTED BY ALL MEMBERS OF THE COUNCIL WHILE RESPECTING THEIR MUTUAL INTERESTS. A VETO, SUDHOFF SAID, SMACKED OF FINALITY. KIECHLE HAD ON THE CONTRARY MADE IT PLAIN IN BRUSSELS THAT CEREAL PRICES HAD NOT BEEN DEALT WITH CONCLUSIVELY, BUT WOULD BE DISCUSSED AGAIN IN A FURTHER ROUND OF NEGOTIATIONS IN THE COMING WEEKS. SUDHOFF CLAIMED THAT THE BELGIANS AND GREEKS ALSO HAD DIFFICULTIES WITH THE COMMISSIONS'S PROPOSALS FOR CEREALS.

3. SUDHOFF ADDED THAT THE VITAL INTERESTS OF GERMAN AGRICULTURE WERE AT STAKE IN THE CEREAL PRICE NEGOTIATIONS. THE FEDERAL GOVERNMENT WOULD AGREE TO A SENSIBLE SOLUTION. BUT A POINT HAD NOT BEEN REACHED YESTERDAY IN BRUSSELS AT WHICH KIECHLE COULD SAY THAT VITAL GERMAN INTERESTS HAD BEEN MET.

4. IN ANSWER TO QUESTIONS SUDHOFF SAID THAT DECISION-TAKING WOULD BE DISCUSSED AT THE MILAN EUROPEAN COUNCIL. THE FEDERAL GOVERNMENT HAD A CLEAR POSITION ON MAJORITY VOTING.

5. SUDHOFF ADDED THAT KOHL WOULD ONLY AGREE TO AN INTERGOVERNMENTAL CONFERENCE (IE ON EUROPEAN UNION) IF ALL TEN EC PARTNERS GAVE A CLEAR MANDATE FOR IT. KOHL EXPECTED BROAD AGREEMENT ON THIS POINT.

FCO PLEASE ADVANCE TO: FCO - RENWICK, FAIRWEATHER, WALL, CLEMENTS
CAB OFF - WILLIAMSON, JAY
MAFF - ATTRIDGE
NO 10 - POWELL
TSY - FITCHEW, BUTT

WILLIAMS

NNNN

EUROPEAN COMMUNITY ISSUES

1. We favour greater unity in the Common Market both internally and externally. Understand Kohl's need to show German people that we are going to stay united.
2. First step is to complete internal market. Britain and Germany close on this. European Council in Milan should adopt a time-table. We have one. Don't let Commission introduce irrelevant tax approximation as a pre-condition.
3. Recognise need to go beyond this and take a step which will capture people's imagination. Want to put to you in strict confidence proposal for a formal agreement - Treaty - on Political Cooperation. Would establish political cooperation

as key element in European unity. Also strengthen security cooperation. Like to get your personal reactions and then discuss equally confidentially with French. Don't want it lost in bureaucracy. Believe it would be seen as major initiative and step forward.

4. Idea would be to take main decisions at Milan, leaving text to be worked out by December. Better to use European Council rather than Inter-Governmental Conference. Must not miss chance to take decisions now when views of Germany, France and Britain coming closer.

5. Do not favour trying to amend Treaty of Rome. But ready for practical measures to improve decision-taking:

CARD 2

- preserve reality that no Member State will allow itself to be voted down when very important national interests at stake (though should explain its reasons). Must be consensus on really major issues.

- can make fuller use of existing majority voting provisions of Treaty.

- greater use of abstention.

- agreement not to invoke unanimity for implementing measures.

- take decisions at proper levels.

(Hand over draft conclusions for European Council)

PTO

6. See no significant scope for changing powers of European Parliament. Treaty powers reflect the balance between the institutions. Certainly cannot concede revenue-raising powers.

7. Agree line for press.

MEETING WITH CHANCELLOR KOHL

1. ✓ Political and economic developments in UK and FRG.
2. ✓ Bonn Economic Summit: reflections
3. V.E. Day: reflections
4. Franco-German relations
5. European Fighter Aircraft
6. Strategic Defence Initiative
7. Eureka
8. Agricultural prices
9. East-West relations

Can't have common monetary policy
without " economic policy.

Boyer - Standards. - Liberalisation of services.
of capital movements
- transport

No railway with in FRC

DM 13 bn - annual deficit,

Must re-evaluate terms
Goods by raise of heavy.

Inst. Reform - Michael Parkinson
must return final decision

Consensus - Treaty -
Must have financial veto
[50% of imports into Community]

cc/PC
BU.

Foreign and Commonwealth Office

London SW1A 2AH

CM

17 May 1985

Dear Charles,

Prime Minister's meeting with Chancellor Kohl: Agriculture Council and Polish Church Agriculture Scheme

As you know, the German Agriculture Minister (Kiechle) invoked the Luxembourg compromise in the Agriculture Council yesterday in order to avoid being voted down on cereal prices.

In the past, the Germans have always maintained that if agreement cannot be reached in the Council then the Presidency "must have recourse to voting where the Treaties so provide". By blocking a vote on cereals the Germans have acknowledged what we have been saying for months, namely, that whatever the theoretical position of some Member States on the Luxembourg compromise, no government will allow itself to be voted down where it considers its very important national interests to be at stake. I enclose a factual note on use of the Luxembourg compromise in recent years.

The Agriculture Council

Because of the German invocation of the Luxembourg compromise, the cereals part of the price fixing package was left to one side. It will be taken up again when the Council meets, informally, in Siena from 27-29 May and, formally, in Luxembourg on 11-12 June. It would be helpful if the Prime Minister could urge Chancellor Kohl to moderate the FRG's opposition to price cuts for cereals and rapeseed. I attach a checklist of arguments the Prime Minister could use. This has been cleared with the Ministry of Agriculture. ~~I also attach a checklist of arguments the Prime Minister could use. This has been cleared with the Ministry of Agriculture.~~ I also attach a translation of Chancellor Kohl's letter of 13 May to Delors, in which Kohl explains his Government's fear that cereals price cuts could force small farmers in Germany off the land.

If Kohl raises these fears, the Prime Minister might counter that containing CAP costs has been a major objective of both the FRG and UK. It will not be achieved if Member States shy away from difficult decisions to reduce prices in

/line



line with market realities. German farmers are not the only ones to have suffered cuts in income. UK farm income in recent years has been substantially below that in the 1970s. For cereals, the value throughout the Community of support prices per hectare in real terms rose by 14% between 1979/80 and 1984/85. The income problems of small farmers are something we will have to look at separately in the light of the Commission's current study of long-term perspectives for the CAP.

Polish Church Agriculture Scheme

The Germans have warned us that if Kohl raises this subject with the Prime Minister, he is likely to ask us not to oppose the amendment to the 1985 draft budget proposed by the European Parliament, allocating 5 million ecus for the scheme. In reply, we suggest that the Prime Minister should point out that the Council's Budget Committee voted not to put money in this line, on the grounds that there was no legal basis for expenditure; and that it would be wrong to re-open this question.

I am copying this letter and enclosures to the Private Secretaries to the Minister of Agriculture and Sir Robert Armstrong.

Yours ever,

Colin Budd

(C R Budd)
Private Secretary

C D Powell Esq
10 Downing Street

USE OF THE LUXEMBOURG COMPROMISE IN RECENT YEARS

The following is the position of Member States of the Community on the Luxembourg compromise.

(a) Belgium and Netherlands take the view "that the Presidency must have recourse to voting where the Treaties so provide". Belgium and Netherlands have not invoked the Luxembourg compromise. However, at the Fisheries Council on 14 December 1983, the Commission refused to adopt as its own proposal a Presidency compromise on herring quotas which all Member States, except Belgium and the Netherlands, could agree to. The Commission took this position on the grounds that, unlike the other member states directly concerned, Belgium and Netherlands could not invoke a vital national interest to prevent a decision. A compromise was eventually adopted with Belgium abstaining.

(b) Denmark shares the UK view that "when a Member State considers its very important interests to be at stake, discussion should be continued until unanimous agreement is reached". (Declaration on the signature of the Solemn Declaration in 1983.)

The Danes have frequently invoked the Luxembourg compromise on fisheries questions, the last time being the Fisheries Council on 12 July 1983 on herring quotas.

(c) France The formal French position is that "voting will be postponed if one or more Member States so request in order to defend an essential national interest directly related to the subject under discussion, which they confirm in writing" (declaration of the French Prime Minister on the signature of the Solemn Declaration).

Before the Transport Council on 10 June 1982, the French representative said that decisions (on inland waterways where the French were in a minority of one) should be taken in the Council "in accordance with established practice, within which the

Luxembourg compromise maintained, for the French government, all its value". In the event, no move to a vote was made.

In November 1984, in a speech in Germany, M. Dumas said it was "indispensable to maintain the possibility for a Member State to invoke a vital interest provided that the Member State justifies it objectively in the Council".

(d) Germany takes the view that "the Presidency must have recourse to voting where the Treaties so provide". However, in the Agriculture Council on 16 May, the Agriculture Minister said that, if a vote were to be proposed on cereal prices Germany would have to ask that it be deferred because a very important national interest was at stake. The Presidency then declined to move to a vote on the basis that Germany had invoked the Luxembourg compromise. On 13 May, Chancellor Kohl had written to the President of the Commission using Luxembourg compromise language: "This issue of price reduction is an essential question in which very important interests in our agriculture and thus our economy are at stake, and with regard to which we would find it very difficult to allow ourselves to be overruled in the Council."

(e) Greece takes the view that discussion of a subject should be continued "until unanimous decision is reached in cases where vital and essential national interests of a Member State are at stake and written notification has been made to this end".
(Declaration in the context of the Stuttgart Declaration, 1983.)

At ECOFIN in June 1982, the Greeks had difficulties over a compromise package for the renewal of OECD export credit consensus rules. The Greek representative said that since very important national interests were at stake, a vote should be deferred. No vote was called.

In the Agriculture Council in September 1983, the Greeks refused to accept a one-year roll-over of the dried fruit regime with subsequent introduction of a guarantee threshold. When the Dutch

representative proposed a vote, the Greek representative immediately intervened to say that this was a matter of vital national interest and that a vote would not be appropriate. No vote was taken.

(f) Ireland takes the view that "voting will be postponed where one or more Member States so request in order to defend an essential national interest directly related to the subject under discussion, which they confirm in writing". (Declaration on signature of the Solemn Declaration, 1983.) At the Agriculture Council on 26 March 1984, Ireland invoked the Luxembourg compromise over the proposed size of its milk quota. The Irish confirmed their position in writing. No vote was taken.

In a speech on 22 March 1985, Dr Fitzgerald said: "The outstanding issue of providing for the exceptional case where a genuine vital national interest of a member country might be overridden by other members should be capable of resolution ..."

(g) Italy takes the view that the Presidency "must have recourse to voting where the Treaties so provide".

At the Steel Council on 25 July 1983, Italy reminded other Ministers of the existence of the Luxembourg compromise without formally invoking it. In a restricted session outside the Council chamber, Italian Minister made it clear that if a vote seemed likely he would formally invoke the Luxembourg compromise to prevent the adoption of steel quotas unacceptable to Italy. Agreement was reached on a compromise without a vote.

It is also unlikely that the Italians would in practice accept to be voted down on the olive oil or wine regimes.

(h) Luxembourg shares the view that the Presidency "must have recourse to voting where the Treaties so provide". There is no recent record of Luxembourg invoking a very important national interest. The question of a permanent seat for the European

institutions is the most commonly quoted example of a Luxembourg "vital national interest". Since the question of the institutions is covered by one of the unanimity articles of the Treaty (Article 216) there is no possibility of their having to invoke the Luxembourg Compromise on this issue. We believe however that Luxembourg would be opposed to a Treaty amendment of this article, or to giving the European Parliament joint decision-taking rights in this field because this would increase the chances of their being voted down. Luxembourg could almost certainly not accept to be outvoted on steel quotas and migrant workers.

(i) United Kingdom takes the view that "when a Member State considers its very important interests to be at stake, discussion should be continued until unanimous agreement is reached". At the Agriculture Council in May 1982, the UK invoked the Luxembourg compromise on the grounds that the Commission's proposed price package would result in a ten per cent increase in the cost of the CAP and would substantially and unacceptably increase the UK net contribution to the budget. No vote was taken but at the Agriculture Council on 17/18 May, despite repeated use of Luxembourg compromise language by the UK Minister, the Belgian Chairman proceeded to a vote. Denmark and Greece refused to participate in voting. All other Member States voted in favour of the price package. France claimed that the UK had been overruled for misusing the Luxembourg compromise, ie making a false link between its budget problem and the agricultural price fixing.



CHANCELLOR KOHL'S VISIT TO CHEQUERS, 18-19 MAY

CHECKLIST OF ARGUMENTS ON 1985 CAP PRICE FIXING

- Cereals surplus growing rapidly (excess of production over internal consumption 30% or 35m tonnes in 1984/85; Commission estimate similar surpluses up to 1991 even assuming restrictive price policy).
 - Cost of storage and disposal nearly 2 becu in 1984 and would shoot up were dollar to fall.
 - Essential to reduce support prices so as to contain costs and give clear signal to producers.

- Failure to implement guarantee threshold rules for cereals would undermine application of guarantee thresholds for other products, notably Mediterranean ones.

- Know you are concerned to set future shape of Community before enlargement.
 - If CAP is to be sustainable after enlargement, impetus of reform must be maintained.
 - Otherwise all old problems will persist in much worse form.

- Failure to reduce Community cereals prices will exacerbate agricultural trade problems with US in particular.
 - Possibly serious consequences for battle against protectionism.
 - FRG and UK would be among worst hit by such developments.

3 May 1985

(for the personal attention of Mr Jacquot, Cabinet of Mr Delors,
President, Agricultural Council)

To the President of the Commission of
the European Communities,
Mr Jacques Delors

Mr President,

I have the honour to communicate to you, below, the text of a
letter from the Federal Chancellor:

"Bonn, 13 May 1985

Mr President,

I am approaching you in what is a very difficult situation for us
to seek your support.

The negotiations of the Agricultural Ministers of the EEC on
agricultural price fixing for the year 85-86 have reached a
decisive stage. The Commission proposals and the result of the
negotiations so far make it impossible for us to agree to
the overall compromise as it now stands.

In the extremely difficult situation in which our agriculture
finds itself with regard to revenue, the Commission has
proposed a series of price reductions for a series of
agricultural products; according to the Commission information*,
in addition to budgetary economies, the market equilibrium in
sectors in surplus should be established by means of significant
price reductions.

*Translator's note: my reconstruction of the syntax; the French
does not follow on logically here.

I do not dispute that a measure of this kind can in fact lead to the desired result. In the view of all the specialists, however, the price reductions necessary would have, for that purpose, to be made on such a scale as to ruin a significant number of farmers. Marginal or token downwards price adjustments result only in irritating farmers. It is the fear of the Federal Government, which I head, that the price reductions currently proposed will result in developments triggering competition which will lead to the elimination of certain categories by means of a deliberate policy of price pressure. In the long run, only the best-situated and best-structured farms would survive. Farmers handicapped by their situation, their region and their agricultural structures would be eliminated from the market. The Federal Republic would be particularly affected by developments of this kind. That is why we cannot agree to any policy which would compel our farmers to give up as a result of a policy of price pressure. Moreover, that would affect our agricultural workers in what is a difficult situation where the prospects of finding work outside the agricultural sector are very poor. The consequences for social peace in our country would be incalculable.

You will understand that for us this issue of price reduction is an essential question in which very important interests in our agriculture, and thus our economy are at stake, and with regard to which we would find it very difficult to allow ourselves to be overruled in the Council.

I would therefore be very grateful to the Commission if it could do all in its power to enable the German delegation to agree to a final compromise.

that end, it would be necessary for the Commission to abandon price reductions in its final compromise, in particular for cereals, colza and butter.

Thank you in advance for your understanding.

Yours etc"

Helmut Kohl

[Complimentary close]

Poensgen

Permanent Representative of the FRG

Dismond

EC -

SDI

Bar/Wer

Te h. Coop.

Report for Nth.
all the times

SDI-

~~Bar/Wer~~ shtr

Bar/Wer shtr +
overprint.



Foreign and Commonwealth Office

London SW1A 2AH

17 May 1985

*Dear Charles,*Chancellor Kohl's Visit to Chequers, 18 May: Locarno

It is just possible that Chancellor Kohl may speak to the Prime Minister about a plan for marking the 60th Anniversary of the Locarno Treaty (more correctly, group of Treaties) with an academic seminar in Berlin, possibly attended by Foreign Ministers.

Locarno is Kohl's favourite treaty. He sees it as the first attempt to bring Germany out of her post-war humiliation and back into the Western community of nations. He thinks it failed because British interest melted away, and because the United States was absent. The Treaty was initialled in Locarno on 16 October 1925 and signed in London on 1 December the same year.

Some months ago Sir Julian Bullard had the idea of marking the anniversary with a lecture given in German and in Bonn by a British academic. He had in mind Professor James Joll. He thought of December rather than October, in order to register the London connection. He hoped he could get Chancellor Kohl to be present, and to attend a dinner at the Residence afterwards.

When Sir Julian Bullard put this idea to Teltschik, with the blessing of the FCO, he was told that the Chancellor had rather more far reaching ideas. Kohl was thinking of a conference of academics, to be held in the Reichstag in Berlin. Western Foreign Ministers might be invited (apparently not the Foreign Ministers of Poland and Czechoslovakia, although they also were signatories). It was left that Sir Julian Bullard would reflect on the German proposal, and the Germans on his.

/Since



Since then the Chancellor's office have been too busy to take the matter forward. They may in any case have had their fill of anniversaries for one year. But in case the Chancellor speaks to the Prime Minister on Saturday, you should be aware that we have distinct reservations about the idea of a grand seminar in Berlin - not so much for Berlin reasons, but because of the obvious flaws in the Locarno Treaty itself. It established greater security for Germany's western borders than for those in the East; it took the artificial attitude that an attack by France on Germany was as much to be resisted by Britain as an attack by Germany on France, and as likely; and it did after all fail to keep the peace. For all these reasons we consider that Sir Julian Bullard's suggestion for a lecture in Bonn would be more appropriate.

You may like to warn the Prime Minister. Teltschik said to Sir Julian Bullard at one point that he thought the Chancellor might already have mentioned the matter to her, perhaps at the European Council meeting at Brussels in March.

/ I enclose as background a copy of Roger Bone's letter of 6 June 1984, commenting on Kohl's Adenauer lecture at Oxford in May 1984.

*Yours ever,
Colin Budd*

(C R Budd)
Private Secretary

C D Powell Esq
No 10 Downing Street

Enter +19

2 AM, 7/6



Foreign and Commonwealth Office

London SW1A 2AH

6 June, 1984

John John

Chancellor Kohl and German Reunification

The Foreign Secretary thought the Prime Minister might be interested in the enclosed note which we have prepared by way of comment on Chancellor Kohl's Konrad Adenauer memorial lecture at Oxford, which she attended on 2 May. Sir Geoffrey Howe was interested in the article by Timothy Garton Ash in The Spectator on 12 May, dealing with Kohl's lecture. The note takes account of it. I am enclosing The Spectator article and the English text of Kohl's lecture.

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INDEX	
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John Bone

(R B Bone)
Private Secretary

A J Coles Esq
10 Downing Street

Mr. Budd, Private Office

Paras 6-11 of my note of 1 June 1984 deal with Locarno, Stresemann and Kohl.

John A. Munro
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CHANCELLOR KOHL'S KONRAD ADENAUER MEMORIAL LECTURE AT OXFORD
ON 2 MAY 1984

1. Kohl's lecture was a comprehensive if somewhat turgid account of his view of Germany's place in the world and his priorities in foreign policy. He is undoubtedly greatly preoccupied with the question of the division of Germany (as is the Federal President elect, Richard von Weizsaecker). His lecture got a largely favourable press in both Germany and Britain. The most interesting analysis in the British press was by Timothy Garton Ash (an expert on Germany) in *The Spectator* on 12 May.

Attached

2. Kohl's central thesis was that Adenauer took a decisive and irreversible decision to anchor the FRG (what Kohl calls the free part of Germany) in the western family of nations, notably in NATO and the European Community. Kohl claimed that he unreservedly endorsed this strategic decision. NATO, for example, he called the 'central element of our raison d'etat'. However, Kohl also insisted that he (and, he believed, the German people) would never give up the idea of reunifying the nation, however long this might take. Immediately, the free Germans had a duty to look after their 17 million compatriots who were oppressed by a communist dictatorship.

3. Kohl argues that the division of Germany can only be overcome within the context of overcoming the division of Europe; for example on page 12: 'Our passionate advocacy of European unification stems to a great extent from awareness that a positive settlement of the German question is only conceivable within a greater European framework'. Kohl appreciates, of course, that overcoming the division of Germany is a very long term objective indeed. Meanwhile, he argues, Germany attaches the greatest priority to uniting Western Europe.

/4. On

4. On pages 7 and 8 of the lecture Kohl rehearses his familiar theme that the economic and budgetary aspects of the Community are of secondary importance to political union. 'We in the Federal Republic of Germany are prepared to work for the political union of Europe without ifs and buts'. Kohl gave great emphasis to this part of his speech. Richard von Weizsaecker has often made the same point. For Germany a Free Trade Area plus political cooperation are not a sufficient European policy.

5. In his lecture Kohl reviewed German foreign policy across the board; but the passages on relations with the Third World (which come towards the end) although sincere, seemed perfunctory and mainly for the record. Kohl summed up his real interest on page 15: 'The national question, German unity and freedom, European reunification and the security of Europe will continue to receive the special attention of future Federal governments'.

6. Timothy Garton Ash has drawn attention in The Spectator to Kohl's reference to the Locarno Pact concluded by Chamberlain, Briand and Gustav Stresemann, the best known Foreign Minister of the Weimar Republic (there were no references to Stresemann in the draft provided for Kohl by his officials). Kohl suggested in his lecture (page 5) that Stresemann, together with Chamberlain and Briand, had made a great and largely unrecognised effort to integrate Germany in Western Europe. Stresemann did indeed inaugurate an era of good relations with France in which Germany was accepted into the family of nations entering, for example, the League of Nations. But in praising Stresemann Kohl gave rise to doubts, voiced by Timothy Garton Ash, about his true aims in Europe. Most historians would accept Professor Gordon Craig's assessment of Stresemann that he was concerned with the urgent national requirements of regaining full sovereignty and independence for Germany.

7. A central feature of Stresemann's policy in national questions was the restoration of German power in Eastern Europe. Like almost all German politicians of his time Stresemann regarded the Polish state established in 1919 as an aberration that had grown powerful only because of the temporary weakness of both Russia and Germany, and the collapse of Austria, the three powers which had combined to eradicate Poland from the map at the end of the 18th century. This community of interest with Russia found its clearest expression in the Nazi/Soviet pact of August 1939.

8. There is no evidence in his Adenauer Memorial Lecture or elsewhere that Kohl aspires to emulate Stresemann in Eastern Europe. Kohl has fully accepted the Eastern treaties concluded by the SPD Government with Poland and the Soviet Union in 1970; the FRG thereby renounced force as a means of changing the existing frontiers in Europe. Moreover, Kohl appears to share the very widespread contemporary German feelings of guilt and goodwill towards Poland.

9. However, some people in France, and to some extent in the USA, have expressed concern that in reviving the German national question and claiming continuity with figures such as Stresemann, Kohl may revive potentially dangerous dreams and ambitions in Germany, and open Pandora's box. Their concern is that if the German people come to attach great importance to reunification as a goal of policy to be actively pursued, they will see that the route chosen by Kohl (overcoming the division of Europe and thereby the division of Germany) is most unlikely to succeed within any conceivable time-scale. They fear therefore that the Germans might opt for neutralist, nationalist policies which would make it less easy for the Russians to block the path to German unity. (The Poles and the Russians react to talk of reunification by accusing Kohl of revanchism - aspiring to alter the results of the Second World War, in particular the westward shift of Poland).

/10. None

10. None of these German aspirations amount to immediate practical plans; but there is no doubt that whereas France (and indeed the UK) are content with the status quo in Europe, the Germans are not. This dissatisfaction with the status quo of a divided Germany is bound to lead to speculation as to the implications of German efforts to find a way of keeping the aspiration to reunification alive.

11. Kohl's answer to the concerns expressed in France, discernible in his Adenauer Lecture, is that the aspiration of the German people for reunification must be channelled into safe enthusiasm for European union. That is why Kohl advocates it so passionately and is sometimes so frustrated by the priority attached by others to bookkeeping and agricultural surpluses. His lecture at Oxford was a clear statement of his view that for Germany these problems are of secondary importance. They have to be overcome nonetheless because they constitute a block on the road to European union and thus to his (very long term) ambitions for Germany.

1 June 1984

when a pack from the wars but that is not the American stomachs are tending. We are in an era when even a kitchen whose owners do not subscribe to any of the mass circulation cooking magazines will still have four or five different kinds of vinegar. A serious cook will have strawberry vinegar, lemon vinegar, sage vinegar, raspberry vinegar, tarragon vinegar and you name any other flavour you can think of. You will, naturally, make your vinegar yourself, although you will purchase a bottle of Balsamic vinegar which any gourmet snob will tell, whether correctly or not I cannot say, comes only from the village of Modena in Italy. The point to note is that this recondite item is now commonly available in the better grocery stores across America.

What holds for vinegar is true for the rest of what goes into the salad dressing. Only an oaf would use anything but first pressing olive oil costing per ounce about the same as opium. But the food madness places as much emphasis on variety as it does on quality, so now you may get your vinaigrette made from walnut oil or hazelnut oil. As for the salad itself, every year they discover a new kind of lettuce to put into it. Until 1982 nobody in America had ever heard of arugula (or roquette as some call it); until last year Americans would have told you radicchio was an acronym for a left-wing Italian terrorist group.

Foodism is too big and has been going on too long to be called a fad. It is on its way to becoming a major element in the culture, if it hasn't already done so. But within the new American foodism fads streak across the national palate with the speed of service in a fast food franchise. A couple of years ago it was *pesto*. Everybody in the country making over the medium income (the po' folks don't get into gourmety too much, ya know) was growing basil plants. Then it was sushi time and this year it's been *prima vera* all winter long. Everything has got the name *prima vera* stuck in front of it. There are restaurants, admittedly of uncertain quality, advertising pizza *prima vera*.

Foodism is changing American domestic architecture. More homes are built without living rooms or dining rooms. The kitchen has taken over that space. The life of the family revolves around the preparing and eating of food interspersed with periods when the family members, bursting at the gut from gustatory pleasure, break out of the front door and do violent exercise to keep the fat off and blow the cholesterol out of their tubes. Home is a banqueting hall and outside is a vomitorium, so to speak, for we are a nation which wants both to pig out and to keep our tummies flat.

Strange and inexplicable land, America invented and invaded the rest of the world with its franchised, mass-manufactured fast food and yet now the number of four-star restaurants is growing more rapidly than McDonald's or Col. Sanders's Southern Fried Chicken. The chef/proprietors of these places are generating star quality of

near cinematic proportions and one, Paul Prudhomme of New Orleans, literally takes his restaurant on tour from time to time. Last year he opened up for a month in San Francisco where lines longer than those waiting to see an Oscar-winning picture queued up for hours for their turn to sample ecstasy.

Having wider impact is the multiplication of good but not great restaurants where the new kind of critic, guide and teacher waiter flourishes. After you're seated he hands you the menu and then tells you to ignore it. He is about to recite the specialities of the day in the manner of a teacher dealing with

a retarded pupil. 'For the first course you should have the *salade tiède de ris de veau, poêle de pleurotes, confit de trevise and truffes noisette à l'huile de noisette*, which means (stupid) a warm salad of calf's sweetbreads, mushroom, a mildly bitter red chicory, black truffles and hazelnut oil. The chef is very good with sweetbreads. Oh, I recognise that look on your faces. What are you? From Iowa. Just don't think what they are and learn to eat them.'

Americans are learning to eat sweetbreads and sea urchins and where once they had to go to Europe to eat well, now they stay home.

Europa über Alles

Timothy Garton Ash

Last week Chancellor Helmut Kohl gave the Konrad Adenauer Memorial lecture at Oxford, in the presence of the Prime Minister. What he had to say about Germany and Europe may be summarised in three propositions:

1) The long-term goal of all West German governments, but particularly of his government, is to overcome the division of Germany, and therefore of Europe.

2) For the Federal Republic, total commitment to the democratic West, and its alliances, is the only possible path towards this goal.

3) So total is the commitment of the Federal Republic to Europe and the West that it would like the EEC to move forward *schnellstens* towards a United States of Europe.

Neither the truth nor the connecting inner logic of these propositions is self-evident. Take 2) for a start. For so long as it was a nation-state, Germany was wont to manoeuvre between East and West —

specifically, between Russia on the one side, France and Britain on the other. In the 1950s there were compelling reasons for West Germany, the half-nation-state, to return to this traditional *Schaukelpolitik*. As Professor Hans-Peter Schwarz argued in the Konrad Adenauer Memorial lecture at Oxford four years ago, 'the conviction was general that Moscow held the key to reunification'. There was nothing inevitable about Adenauer's grand commitment to the West. Professor Schwarz concluded that 'if, in the future, Bonn was to opt again for a middle path, Adenauer's decision in favour of an anti-Russian policy and a lasting alliance with the Western democracies would only be a temporary affair in the long course of German policy towards Russia.'

Since Adenauer's time, the Federal Republic, under its Social Democrat Chancellors Brandt and Schmidt, has of course developed a distinctive policy towards the East (*Ostpolitik*). And one of the more remarkable features of Dr Kohl's Chancellorship is the way in which, while claiming to be Adenauer's heir, he has taken over the Social Democrats' *Ostpolitik* almost whole — especially in relations with East Germany. The reasons are not far to seek. There is a general consensus in Bonn that the development of a special working relationship with the government of East Germany has brought the Germans in East and West closer together, while at the same time improving West Germany's position in international affairs. In other words, it is seen as being in Germany's *national interest* — and the right-wing nationalist Franz Josef Strauss sees this as clearly as any leftist lover of *détente*.

There is, however, a vital corollary. As Chancellor Kohl clearly acknowledged in a discussion after his lecture, the key to what the East German Government does lies in Moscow. Now, since good relations with the German Democratic Republic are thought by all the main parties in Bonn to

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be in Germany's national interest, and since good relations with the GDR are rightly seen to depend on relations with the Soviet Union, it follows that West Germany must (like all previous Germanies) have a special interest in good relations with Russia. I believe there is a substantial consensus on this point in West Germany — more substantial than the consensus on, say, the necessity of deploying Cruise and Pershing missiles. It may even be a rational consensus. Arguably, if your purpose is to keep the nation together (at least in spirit, human contacts and so forth), then, for that purpose, Moscow is more important to you than Washington. Eastern approaches, not Western alliances, allow German to meet German in Weimar or East Berlin.

Nor is this morally reprehensible. It is a government's business to pursue what it believes to be the national interest. It is what we expect our government to do.

No, the problem is what the government says. What Dr Kohl said last week, with lugubrious pathos, was that poor old Germany, having suffered so much at the hands of history — two lost wars, two inflations, partition, the deportations from the East (his list) would be heartily delighted to surrender its (half-) nation-statehood for the sake of a larger European community. 'The question is,' as he put it to the Bundestag in March, 'who is prepared to follow us on the way to European political union with the stated objective of a United States of Europe' (my italics)? Lead on, Germany! As Prussia 'went up' into Germany, so Germany will go up into Europe.

But why this heroic self-sacrifice? And how does proposition 3) square with proposition 1)? For what would be the Russian reaction to this United States of Western Europe? Hardly, one imagines, to urge the benefits of membership on its East European satellites. Unless, of course, they were offered the kind of secret membership which East Germany currently enjoys in the EEC — many benefits, no disadvantages. If I read Dr Kohl aright, this is roughly how he would square the circle. The US of E would pursue towards Eastern Europe — but especially towards East Germany — the policies which West Germany is currently pursuing towards East Germany. In return for political recognition and a great deal of money, the communist regimes would allow us (East and West Germans/Europeans) to see a bit more of each other. As the theologians of *Ostpolitik* put it, we must accept the division of Europe in order to overcome it. Germany will give up her national sovereignty (proposition 3) in order to regain it (proposition 1).

At moments like these I wish I had read more Hegel. Such dialectics are beyond me. But let every people pursue its own salvation in its own way. All I object to is being told that their interests are necessarily our interests. And I can think of the odd Frenchman or Pole who would join me in questioning the automatic equation of Germany's interest with Europe's interest.

To say that 'to end the division of Germany it is essential to end the division of Germany' is not merely true — it is a truism. It is like saying that to get from Southwark to St Paul's you have to cross the Thames. But in this case the reverse does not follow, particularly if you take the current West German gradualist view of 'overcoming the division of Germany'. It is perfectly possible for Germans to be getting closer together while other European peoples are being held farther apart. Of course the disjuncture cannot be total, but this is very much what has happened over the two years since martial law was imposed in Poland.

The special German-German rapprochement may be a good thing. It may be a bad thing. But it is not the same thing as the healing of Europe. Perhaps all of Western Europe should try to treat all of Eastern Europe as West Germany treats East Germany. Or perhaps it shouldn't. But at least

we should know what we're talking about.

Chancellor Kohl was trained as an historian. Expatriating upon Adenauer's integration of Germany into the West, he observed that this was actually Germany's second attempt at *Westintegration*: the first was made by Gustav Stresemann in the Locarno Treaty of 1925. Turning to Gordon Craig's *Oxford History of Germany*, I read:

Stresemann was no more a 'good European' than Austen Chamberlain or Aristide Briand or any other of the leading statesmen of his time. He was capable of using the sentimental rhetoric that was the characteristic style of the proponents of a future United States of Europe, but he was no believer in that grand design. As a German statesman, he felt that it was his obligation to concern himself with urgent national requirements, and the goal he set himself was to regain full sovereignty and independence for his country.

A monument to the dead

Gavin Stamp

In theory, the idea of building designs by dead architects is an attractive one: there are unexecuted projects by Inigo Jones, Wren and Soane that I should like to see realised. But about the controversial unexecuted design by Ludwig Mies van der Rohe (1886-1969) which Mr Peter Palumbo is determined to build I have my doubts. Its many admirers describe it as 'timeless', as if that word has any meaning when applied to a mid-20th-century office block made of steel and bronzed glass and requiring electricity to make it habitable. Unfortunately, to realise this timeless design in time, a large number of ordinary little buildings, perfectly good of their own time and ten of them listed as being of architectural importance, is to be sacrificed.

This sacrifice is necessary, we are told, because London has no building by the great German modernist. No: but nor can we boast any masterpiece by Le Corbusier, Alvar Aalto or Frank Lloyd Wright, let alone any by Schinkel, Bernini or Ictinus (we do have one by Gropius — the former Playboy Club in Park Lane — but nobody seems very proud of that). Do we really need them? The supreme interest of architecture as an art is that it is a specific response to a particular site and to particular conditions and circumstances at a certain moment in time. A building is not like an abstract painting of the sort for which Mr Palumbo might also be prepared to pay millions, a transportable object of an integrity independent of its surroundings, but he seems to regard the Mies design he commissioned in this light: as highly priced 'high art'.

The public inquiry into Mr Peter Palumbo's pet project which began on 1 May has fully deserved the surprising amount of publicity devoted to the controversy. The proposal to sweep away a large chunk of the surviving old City of London is a matter of great public concern and a big fight is on. On one side is the RIBA, the ageing architectural establishment and various academics and pundits who are, I hope, a little ashamed of having been swept along by so smooth a public relations machine; on the other is (amazingly) the City Corporation, the GLC, every conservation society, and, I strongly suspect, public opinion.

Mr Palumbo commissioned Mies to design his tower over 20 years ago, in 1962. Planning approval was granted in 1969 after a public inquiry but permission was withheld until enough of the site had been acquired by Mr Palumbo's firm to enable the scheme to be executed in one phase. An integral part of the scheme is the creation of a new open space in front of the Mies tower — 'Mansion House Square' — by demolishing a host of small, largely Victorian buildings standing on the traditional City street pattern which is part Victorian and part mediaeval. Mr Palumbo has now bought all of these, but it is his tragedy that times have changed and such ordinary buildings are valued for the collective contribution they make to the grain and quality of a city.

Times have changed; or have they? Listening to Mr Michael Manser, President of the RIBA, who sincerely believes that London's tower blocks would be better twice as big, or to Mr Richard Rogers, who thinks that architecture is a matter of 'excitement', we are back in the heady 1960s.

MAY 1985

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Foreign and Commonwealth Office

London SW1A 2AH

17 May 1985

CD

Dear Charles,

Chancellor Kohl's Visit to Chequers: 18 May

I enclose the remaining briefing material for Chancellor Kohl's visit to Chequers, together with revisions to that enclosed with my letter of 10 May. This comprises:

- (a) Sir J Bullard's scene-setting telegrams (Nos 486, 487 and 488); *(shu attached)*
- (b) A Brief on European technological cooperation, and revisions of those on:
 - EC issues;
 - East/West relations (revised in light of the Vienna meetings);
 - Arms control and disarmament (taking account of telno 488 which serves as succinct background on German attitudes to SDI);
 - Internal political brief (now covering North Rhine Westphalia elections). Please now discard the briefs enclosed with my letter of 10 May.
- (c) Notes for the Prime Minister's speech at dinner (with a copy of the joint declaration referred to in the notes);
- (d) Personality notes.

The European Fighter Aircraft brief (which you have already) may need updating in light of the Defence Ministers meeting in Rome which finished last night.

Sir J Bullard's telno 486 outlines the implications of the blow to the confidence of the CDU and the Chancellor caused by the slump in the CDU vote in the elections in North Rhine Westphalia last Sunday. This new setback follows criticism in the German media of Kohl's failure to manage relations with the US (Bitburg) and France (rift at Summit - see telno 487)

/hitherto

C D Powell Esq
10 Downing Street

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hitherto regarded as among his strongest suits. Kohl will therefore be feeling rather bruised and in need of support. The approach agreed at the Prime Minister's meeting with the Foreign Secretary on Monday, namely to emphasise those elements of policy on which we and the Germans are in line, should serve this purpose well.

Yours ever,

Colin Budd

(C R Budd)
Private Secretary

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DESKBY 141800Z

FM BONN 141515Z MAY 85

TO IMMEDIATE FCO

TELEGRAM NUMBER 486 OF 14 MAY

INFO ROUTINE WASHINGTON, PARIS, BMG BERLIN

INFO SAVING OTHER EC POSTS, MOSCOW, EAST BERLIN, CGS IN FRG, CICC(G)

CHANCELLOR KOHL'S VISIT TO CHEQUERS, 18 MAY.

SUMMARY

1. CHANCELLOR KOHL COMES TO CHEQUERS THIS WEEKEND WITH MORE ON HIS MIND THAN THE FUTURE OF EUROPE. HE HAS BEEN BADLY BRUISED BY INTERNAL SETBACKS. HIS PERSONAL RELATIONS WITH REAGAN HAVE BEEN STRAINED BY BITBURG, THOSE WITH MITTERRAND BY THE ECONOMIC SUMMIT. HE MAY BE UNDER PREPARED ON EC QUESTIONS.

DETAIL

2. THE INTERNAL POLITICAL SITUATION IN THE FRG WILL BE MORE THAN EVER ON KOHL'S MIND. HIS GOVERNMENT HAS ALWAYS BEEN ACCIDENT-PRONE - KIESLING, FLICK, THE LAMBSORFF AND BARZEL RESIGNATIONS AND NOW BITBURG. THOUGH A MAJORITY OF GERMANS MAY HAVE SUPPORTED KOHL (AND REAGAN) IN GOING AHEAD WITH THE BITBURG VISIT, THE EPISODE HAS DENTED HIS CREDIBILITY AS A CHANCELLOR WITH OUTSTANDINGLY GOOD LINKS WITH THE US. COMMENTATORS ARE ASKING WHEN AND IN WHAT FORM THE BILLS WILL COME IN. THE FACT THAT THE ECONOMIC SUMMIT WAS RELATIVELY SUCCESSFUL AND WELL-MANAGED WAS OBSCURED BY HEADLINES ABOUT A RIFT WITH FRANCE (MIFT).

3. HIS GOVERNMENT'S MISHAPS HAVE LEAD TO A DROP IN KOHL'S PERSONAL POPULARITY AND, MORE IMPORTANT, TO A STEADY DECLINE IN SUPPORT FOR THE CDU/CSU. SINCE THEIR NEAR-RECORD 48.8 PERCENT IN THE 1983 FEDERAL ELECTION, THEIR SUPPORT HAS SLIPPED TO LITTLE OVER 40 PERCENT NOW. THIS DECLINE HAS BEEN ACCOMPANIED BY A STRING OF POOR RESULTS IN REGIONAL ELECTIONS, CULMINATING IN THE MASSIVE SETBACK IN NORTH RHINE WESTPHALIA (NRW) LAST WEEKEND (MY TELNO 478). KOHL'S POLITICAL CAREER HAD BEEN ONE OF ALMOST UNBROKEN SUCCESS. FOR THE FIRST TIME HE IS HAVING TO EXPLAIN AWAY FAILURE. MUCH OF HIS PARTY DOES NOT LIKE WHAT IT HEARS. IT HOLDS HIM AND HIS OVER CONFIDENT AND WOOLLY STYLE RESPONSIBLE. STRAUSS, NEVER ONE TO CONCEAL HIS DISLIKE AND CONTEMPT FOR KOHL, IS BACK ON THE WARPATH.

4. THERE IS RENEWED SPECULATION THAT THE CDU MIGHT DROP KOHL, AS THEY DID ERHARD IN 1966, KIESINGER IN 1969 AND BARZEL IN 1973. CERTAINLY KOHL NOW LOOKS MORE VULNERABLE THAN AT ANY TIME SINCE HE BECAME CHANCELLOR. BUT HE HAS USED HIS 12 YEARS AS PARTY CHAIRMAN TO BUILD UP A STRONG PARTY BASE. STOLTENBERG, AT PRESENT THE ONLY REAL ALTERNATIVE CHANCELLOR, SHOWS NO SIGN OF DISLOYALTY. I THEREFORE DOUBT WHETHER KOHL'S POSITION IS SERIOUSLY AT RISK AT THE MOMENT. BUT HE WILL BE GLAD THAT THERE ARE NO MORE MAJOR ELECTIONS UNTIL NEXT SPRING, WHEN THE CDU/CSU'S BUNDESRAT MAJORITY WILL BE AT STAKE IN LOWER SAXONY.

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5. KOHL'S IMMEDIATE PROBLEM IS HOW TO REACT TO THE DEBACLE IN NRW. HIS GOVERNMENT LOOKS MORE THAN EVER IN NEED OF NEW IMPETUS. HE SEEMS TO HAVE SET HIS FACE AGAINST A CABINET RESHUFFLE, AT LEAST AT PRESENT: CHARACTERISTICALLY, HE DOES NOT WANT TO BE SEEN TO BE ACTING UNDER PRESSURE. THE ONLY OBVIOUS ALTERNATIVE IS TO BE SEEN TRYING TO DO MORE ABOUT THE UNEMPLOYED, PENSIONERS AND FARMERS, WHOSE DEFECTION HIT THE CDU HARD IN NRW. KOHL HAS PUBLICLY REAFFIRMED HIS CONVICTION IN THE CORRECTNESS OF CURRENT POLICIES. BUT CDU H.Q. BELIEVE THAT HE MIGHT JUST BE TEMPTED INTO A FEW U-TURNS FOR QUICK FIXES IN SOME OF THESE AREAS. MORE GENERALLY, THEY THINK THAT HE WILL TRY TO EXPLOIT SDI TO EMBARRASS THE SPD AND PROFILE HIMSELF.

6. THERE IS NO REAL REASON TO DOUBT THE PRESENT COALITION'S ABILITY TO WIN THE 1987 FEDERAL ELECTION. THE FDP SEEM TO HAVE STABILISED: THE PRESENT DROP IN CDU SUPPORT IS SERIOUS BUT NOT UNUSUAL IN MID-TERM. FOR ALL THEIR SUCCESSES IN THE LAENDER, THE SPD STILL FAIL TO PRESENT A CREDIBLE ALTERNATIVE AT FEDERAL LEVEL. THE CONFIDENCE OF THE FEDERAL CDU TOOK A KNOCK IN NRW, AND THE SPD'S PROSPECTS AT FEDERAL LEVEL COULD IMPROVE IF THEY WERE TO FIELD RAU INSTEAD OF VOGEL AS THEIR CHANCELLOR-CANDIDATE. LIKE KOHL, RAU IS A POPULIST WHOSE APPEAL IS TO THE HEART. HE COULD FUDGE THE SPD'S LACK OF ALTERNATIVES, AND PRESENT KOHL WITH A REAL FIGHT. BUT I STILL THINK IT IS ONE WHICH THE CHANCELLOR WOULD WIN. IN ANY CASE THAT BATTLE IS STILL NEARLY TWO YEARS OFF.

7. AS A RESULT OF ALL THIS I WOULD EXPECT KOHL ON SATURDAY TO BE
(A) UNDERPREPARED ON EC QUESTIONS,
(B) LESS IN MITTERRAND'S POCKET THAN I HAD PREDICTED EARLIER,
(C) GRATEFUL FOR SOOTHING BALM.

BONN WILL PASS TO BMG BERLIN AND SAVING CGS IN FRG AND CICC(G)

FCO PLEASE PASS TO OTHER SAVING ADDRESSES

[REPEATED SAVING AS REQUESTED]

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TO IMMEDIATE FCO

TELEGRAM NUMBER 487 OF 14 MAY

INFO ROUTINE PARIS, WASHINGTON, BMG BERLIN.

INFO SAVING OTHER EC POSTS, MOSCOW, EAST BERLIN, CGS IN FRG, CICC(G)

MIPT: CHANCELLOR KOHL'S VISIT TO CHEQUERS: 18 MAY: FRANCO-GERMAN RELATIONS

SUMMARY

1. DIFFERENCES WITH THE FRENCH OVER GATT, EUREKA AND SDI. GENSCHER AND KOHL TRY TO PLAY THESE DOWN. DANGER OF COALITION ROW.

DETAIL

2. RETROSPECTIVE COVERAGE OF THE ECONOMIC SUMMIT HAS HIGHLIGHTED THE ISOLATION OF MITTERRAND AND AN APPARENT RIFT BETWEEN PARIS AND BONN ON GATT, EUREKA AND SDI. MITTERRAND IS REPORTED AS HAVING QUESTIONED KOHL'S EUROPEAN CREDENTIALS ON ALL THREE ISSUES. SINCE THEN DUMAS AND MME CRESSON ARE QUOTED AS ACCUSING THE GERMANS OF DEPARTING FROM AGREED EUROPEAN POSITIONS IN ORDER TO REWARD PRESIDENT REAGAN FOR BITBURG. MITTERRAND'S DOWN-BEAT BRIEFING ON THE PROSPECTS FOR MILAN WAS READ HERE AS POSSIBLY IMPLYING THAT IF KOHL WANTS PROGRESS ON EUROPE THEN HE MUST FIRST MAKE AMENDS WITH FRANCE.

3. IN A SPEECH ON 10 MAY, GENSCHER ATTEMPTED TO REPAIR RELATIONS WITH FRANCE WHILE AVOIDING SUGGESTIONS OF A DIFFERENCE OF OPINION WITH KOHL. HE STRESSED THE NEED FOR EUROPEAN TECHNOLOGICAL COOPERATION: DIVIDED, EUROPE COULD NOT COMPETE WITH THE US OR JAPAN. BUT WARM SUPPORT FOR EUREKA DID NOT RULE OUT EUROPEAN PARTICIPATION IN SDI (SEE MIFT). GENSCHER ALSO PLAYED DOWN DIFFERENCES BETWEEN PARIS AND BONN ON GATT. THE PRINCIPLE OF A NEW GATT ROUND HAD BEEN AGREED BY THE FRENCH, ALTHOUGH THERE WERE SUPERFICIAL DIFFERENCES ON A NUMBER OF MINOR POINTS. GENSCHER SPOKE OF THE DANGER OF US AGRICULTURAL PRODUCTS FLOODING COMMUNITY MARKETS AND PRAISED MITTERRAND FOR DEFENDING EUROPEAN (AND THUS GERMAN) INTERESTS AT THE SUMMIT.

4. IN TODAY'S BUNDESTAG DEBATE ON THE ECONOMIC SUMMIT, KOHL STRESSED THE SUMMIT AGREEMENT OR SUPPORT FOR A NEW GATT ROUND AND PLAYED DOWN FRENCH QUALIFICATIONS. HE HAD RECEIVED A MESSAGE FROM MITTERRAND EMPHASISING THAT FRANCO GERMAN FRIENDSHIP WAS SOUND.

5. GERMAN OFFICIALS MAINTAIN THAT THE BASIC FRANCO-GERMAN RELATIONSHIP IS STRONG ENOUGH TO WITHSTAND SUCH STRAINS. (I AGREE). BUT THEY RECOGNISE THAT THE DYNAMICS OF THE FRANCO-GERMAN RELATIONSHIP MEAN THAT THE GERMANS MAY NOW HAVE TO OFFER A DOUCEUR. MENTIONED IN THIS CONTEXT ARE EUREKA, EFA AND PERHAPS A EUROPEAN RECONNAISSANCE SATELLITE. A TRADE-OFF IN THE EC FIELD IS LESS EASY TO SEE.

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COMMENT

6. MITTERRAND'S APPEAL TO EUROPEAN SOLIDARITY HAS PUT KOHL ON THE DEFENSIVE AND HAS LEFT THE GERMANS FEELING THAT THEY OWE THE FRENCH SOMETHING. THE GERMANS COULD THEREFORE FIND THEMSELVES HAVING TO PAY TWO PRICES FOR BITBURG AND THE SUMMIT: ONE TO THE AMERICANS AND ONE TO THE FRENCH.

7. AS TO GENSCHER (PARA 3 ABOVE), HE HAS BECOME A SOMEWHAT LONELY FIGURE, POLISHING THE LAMPS OF EAST-WEST AND FRANCO-GERMAN RELATIONS BUT NOT AT THE MOMENT TAKING THE IMPORTANT DECISIONS. (NOR WILL HE BE AT CHEQUERS). HIS PUBLIC STATEMENTS SHOW THAT HE DOES NOT THINK THAT GERMAN FOREIGN POLICY IS ALTOGETHER SAFE IN KOHL'S HANDS. THERE IS OBVIOUSLY MATERIAL HERE FOR FRICTION WITHIN THE COALITION.

BONN WILL PASS TO BMG BERLIN AND CGS IN FRG.

FCO PLEASE PASS ALL OTHER ADDRESSEES.

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TO IMMEDIATE FCO

TELEGRAM NUMBER 488 OF 14 MAY

INFO ROUTINE WASHINGTON, PARIS, ROME, UKDEL NATO, MODUK

MIPT

CHANCELLOR KOHL'S VISIT TO CHEQUERS, 18 MAY: SDI

SUMMARY

1. FEDERAL GOVERNMENT WORK ON RESPONSE TO WEINBERGER INITIATIVE IS SLOWLY GETTING UNDERWAY.

DETAIL

2. GERMAN VIEWS ON THE STRATEGIC ASPECTS OF SDI, (THE NEED FOR RESEARCH BUT THE PROBLEMS OF DEPLOYMENT) HAVE BEEN CLEARLY SET OUT BY CHANCELLOR KOHL ON SEVERAL OCCASIONS (SEE MY TELNOS 288 AND 375). THEY ARE VERY SIMILAR TO OUR OWN. THE KEY DISTINCTION FOR THE GERMANS REMAINS THE 'FIRE BREAK' BETWEEN RESEARCH AND DEPLOYMENT.

3. WHETHER, AND IF SO HOW, TO PARTICIPATE IN THE RESEARCH IS NOW THE MAIN FOCUS OF INTEREST HERE. THE GOVERNMENT ARE STARTING TO EXPLORE THE OPTIONS. THE CHANCELLOR'S OFFICE (TELTSCHIK) IS THE PIVOTAL POINT. HIS COORDINATING COMMITTEE HAS JUST ESTABLISHED INTER-MINISTERIAL WORKING GROUPS, ON FOREIGN POLICY (ARMS CONTROL), SECURITY AND TECHNOLOGY ASPECTS. THERE ARE ALSO JOINT DISCUSSIONS WITH INDUSTRY. A DELEGATION OF OFFICIALS AND INDUSTRIALISTS WILL VISIT WASHINGTON IN EARLY JUNE TO DISCOVER MORE OF WHAT IS ON OFFER. IT WILL PROBABLY INCLUDE GOVERNMENT SCIENTISTS, IN ORDER TO MAKE A MORE AUTHORITATIVE ASSESSMENT OF US PLANS THAN THE POL/MIL EXPERTS HAVE HITHERTO BEEN ABLE TO DO.

4. ON PARTICIPATION, GERMANS ARE TORN FOUR WAYS BY

A) DESIRE TO SHOW SOLIDARITY WITH THE US, FOR ALLIANCE REASONS AND ESPECIALLY AFTER BITBURG.

B) RELUCTANCE TO BREAK RANKS WITH THE EUROPEANS, AND ESPECIALLY THE FRENCH.

C) A DESIRE NOT TO MISS OUT ON ANY TECHNOLOGICAL LEAP FORWARD.

D) A STRONG FEAR THAT EVEN WHOLE-HEARTED EUROPEAN PARTICIPATION WILL NOT ACHIEVE THE KIND OF ADEQUATE ACCESS TO SDI TECHNOLOGY WHICH THE GERMANS REGARD AS APPROPRIATE.

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[They
are
ahead
of us].

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5. OFFICIALS RECOGNISE THAT THE ANSWER TO THE AMERICANS CANNOT SIMPLY BE 'NO'. INDIVIDUAL FIRMS WILL IN ANY CASE PARTICIPATE WHEN CONTRACTS ARE AVAILABLE. THE KEY AREAS OF UNCERTAINTY ARE FORMAL FEDERAL GOVERNMENT INVOLVEMENT, AND GOVERNMENT FINANCE. GERMAN FIRMS WANT THE GOVERNMENT TO ENGAGE ITSELF BOTH WITH MONEY AND TO STRENGTHEN THEIR BARGAINING POSITION IN THE KIND OF GAME THEY EXPECT THE AMERICAN CUSTOMER TO WANT TO PLAY, IE SELECTIVE COMMERCIAL APPROACHES ADDING UP TO A POTENTIAL ONE-WAY STREET TO GERMAN DISADVANTAGE.

6. THE GERMANS HAVE ALWAYS ADVOCATED A COORDINATED EUROPEAN RESPONSE, PREFERABLY A QUATRE FROM FRG, UK, FRANCE AND ITALY, BUT CONCEIVABLY THROUGH THE WEU: RUFUS REPEATED THIS TO ME TODAY, THOUGH NOT MENTIONING WEU. IF THIS IS IMPRACTICAL, KOHL WILL BE LOOKING FOR CRUMBS OR CLOAKS OF EUROPEAN SOLIDARITY ON SDI WHEREVER HE CAN FIND THEM. OF COURSE HE HAS NO DOUBT OF THE OVERRIDING IMPORTANCE FOR THE FRG OF THE TRANSATLANTIC DEFENCE RELATIONSHIP, AS STRAUSS AND THE CDU KEEP REMINDING HIM.

BULLARD

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ACDB
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PS
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PS/MR LUCE
PS/MR RIFKIND
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Foreign and Commonwealth Office

London SW1A 2AH

17 May 1985

Dear Charles,

CR

Prime Minister's Talks with Chancellor Kohl

/ I now enclose German versions of the papers on the development of the Community, which the Prime Minister may wish to hand to Chancellor Kohl. The passages on the Luxembourg compromise and the European Parliament are for use as necessary. The text on decision-taking incorporates one amendment from the DTI, so a revised English text is also enclosed.

As regards the text on political cooperation, we have as you know a dual purpose in planning to give it to Kohl. The aim is to get a bandwagon moving with Kohl's weight behind it, and at the same time to shift the spotlight from the target currently favoured by the Germans - ie a more wide-ranging treaty. It is in order to give this gambit the optimum chance of succeeding that we have made the text as attractive to Kohl as we possibly can.

There is one other point of this kind that the Foreign Secretary thinks we should consider. What we are proposing is an inter-governmental agreement. It would not affect UK legislation in any way. Nor would it create any role for the European Court of Justice. What it does is to enshrine formally the existing practices of political cooperation (the Foreign Secretary's minute of 26 April). But like any formal inter-governmental agreement it would have treaty force. Julian Bullard advises that it would maximise the impact of the document on Kohl if it could be described in this way. This means that it could properly be described in German as 'Vertrag'; which means treaty or contractual obligation.

The Foreign Secretary considers that we should be more concerned with the content rather than the form of this document. Provided Kohl is prepared to support the content, we should be prepared to agree to 'Vertrag' if that is what he wants. The alternative would be for the text simply to

/be

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be handed over to Kohl described as a draft on European political cooperation, leaving the title to be decided later.

In handing over the document, the Foreign Secretary suggests that the Prime Minister should impress on Kohl that this is a personal communication from her, that she will want to discuss these ideas at the Milan European Council, and that she is concerned to know if he can support something on these lines. The paper must not be referred to Foreign Ministry officials (and if it was, we should not be prepared to discuss it with them). Provided Kohl's reactions are positive, the Foreign Secretary would propose to give a copy of the paper to M. Dumas when he sees him in Paris next week, emphasising that this is for President Mitterrand's personal information and subject to the same caveats.

I am sending a copy of this letter, with the enclosures, to the Private Secretary to Sir Robert Armstrong.

Yours ever,

Colin Budd

(C R Budd)
Private Secretary

PRIME MINISTER

DINNER FOR CHANCELLOR KOHL

In case you wish to make a very short and informal speech, I attach on cards some points which you might cover.

C.D.P.

Charles Powell

17 May 1985

P.S. I have got
the Kohl briefs
and will bring
them to Chequers
tomorrow.

C.D.P.

POINTS FOR SPEECH

- Welcome back to Chequers. Last here just over a year ago when we agreed an important statement on Anglo-German relations.
- On that occasion you also delivered memorable Konrad Adenauer memorial lecture in Oxford.
- Significance of Bonn Economic Summit. Particular importance of demonstrating reconciliation.
- This May we celebrate thirty years of Anglo-German diplomatic relations. Welcome German Ambassador's initiative in giving a dinner last Thursday. Sorry not to be able to attend.
- Our discussions today focussed on special opportunity at European Council this summer to strengthen the Community both internally and externally. We share resolve to achieve a more united and dynamic Europe: and a Europe able to speak and act more effectively on political and defence matters.
- When diplomatic relations were established 30 years ago, Sir Anthony Eden sent Dr Adenauer a message which concluded with the words:

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"Much remains to be done before the security of the free world is finally assured, but I know that we shall travel on this road together."

How far we have travelled! And how closely we have worked together! Today has confirmed our intention to continue in that spirit.

CM

PRIME MINISTER

MEETING WITH CHANCELLOR KOHL

The Chancellor arrives at 1230, so by the time you've had the photocall, you'll want to go straight to lunch. You might suggest keeping discussion of the future of the European Community for the afternoon session.

Over lunch you might therefore start with the general political and economic situation. Britain and Germany have the same sort of Governments facing the same sort of problems and trying to deal with them in generally similar ways. You might offer some consolation on the outcome of the elections in North Rhine-Westphalia: there is no national pattern. For instance in Berlin the CDU did well. You might give him an account of your main domestic priorities over the next twelve months: unemployment, holding down inflation and public expenditure, reform of the social security system, local authority finance and further privatisation.

You might go on to a few reflections on the outcome of the Bonn Economic Summit. How seriously does he take President Mitterrand's threat to boycott future summits? Is it just pique? Is it possible to move to a less structured and prepared sort of meeting (though the Japanese are hardly the best people to start such a trend)? On substance, preparations at a technical level for a new GATT round are likely to get under way without too much fuss. The G10 Finance Ministers seem unlikely to produce any surprises, and it is not at all clear anyway what the French really want in the way of international monetary reform. Ideas such as establishing the sort of relationship between major international currencies which exists in the EMS are not starters.

Two further points which you might raise over lunch are first to seek his assessment of the impact of the VE Day events in Germany; and secondly to probe his expectations for

the Franco-German relations. Is he feeling hang-dog and longing to make it up with Mitterrand? If so, he will no doubt be looking for things to give away to the French, which will be bad news for us. This is the most probable scenario. But if instead he is feeling annoyed and angry with them for spoiling his Summit, you may be able to turn this to our advantage, for instance, over the EFA.

Indeed you might move on to the European Fighter Aircraft next. Precisely what you say will depend on the outcome of Michael Heseltine's meeting with the other European participants on Thursday and Friday. But you will want to stress that we are not interested in a project where everyone else just strings along behind the French. We are world leaders on engine technology; are very advanced in airframe construction; and do not have the headquarters of any major collaborative project. We are prepared to collaborate if there is a genuinely fair deal. But we have the capacity to go ahead on our own if necessary and if our vital concerns are not met. To put it bluntly, we hope that the Germans will not just side with the French against us regardless of technical merits. If our interests are not properly taken into account over an aircraft designed to help us carry out our NATO commitments in Germany, we may have to take a close look at some of the commitments.

The Strategic Defence Initiative might also be covered at this stage. Kohl's interest is likely to be the prospects for a joint European response to the American invitation to participate in SDI research. The French have clearly ruled themselves out, so it's really only us, Germany and Italy who are in contention. No need to go to great lengths to align our position but we should keep each other informed of how we propose to reply. We have a common interest in ensuring that we don't just get crumbs from the Americans' table and that we get access to useful information and technology. We regard Eureka as separate from the response to SDI. In our view Europe's main weakness is in the exploitation of research. We are not in favour of another agency with public funding. We

would, however, like to see an arrangement by which companies developing new high technology products in these sectors did get a copper bottomed guarantee of access to the whole Community market.

Finally, and if there is still time, you might cover East-West relations. What does he make of Gorbachev's VE Day speeches? How far can one disentangle genuine Russian anxieties about the economic costs of strategic defence from propaganda designed to get the West Europeans to put pressure on the US at Geneva? Will Gorbachev's necessary pre-occupation with the Soviet economy restrict him from taking any substantial - as opposed to propaganda - initiatives on arms control?

After lunch you will want to launch straight into the future of the European Community.

You might lead in by saying that Britain is in favour of greater unity in the Common Market both internally and externally. We are ready to see the Community develop further, above all in practical ways. We do understand Herr Kohl's need to show to the German people that we are going to stay united and that together we are a stronger force in the world. We are not interested in arcane theological/constitutional discussion or abstract principles: nor shall we be frightened by talks of a two-tier Community which is counter-productive. The enlarged community will only function effectively if Britain and Germany - and France - work together. And we must do so on the basis that we are all full members.

So what do we mean by greater European unity? First, as Kohl will know, we attach great importance to completion of the internal market. This is not just shopkeeper's talk. It means completing the Treaty of Rome and making us all economically stronger and more cohesive. That must be our first task. The Commission are working on a timetable for this. We have one of our own (which you could hand over to

him). This is concrete action. It is also the freeing up of economies which both the Conservative and the CDU governments are committed to. Action must also embrace deregulation. But for goodness sake, let's not allow the Commission to try to introduce approximation of taxes as a pre-condition for progress. It will cause immense political problems in all our countries and anyway is not mandatory under the Treaty of Rome.

But we recognise that this alone is not enough. Europe needs something more exciting and more imaginative, something which will really give people the feeling that we are taking a big step forward, moving towards unity in a new and important field. This will satisfy the aspirations of the younger generation. We believe this objective can be achieved by a formal agreement - a new Treaty if you like - on Political Cooperation. We have prepared the draft of such an Agreement but have not so far shown it to anyone else: we want to get Germany's reaction first. (You might then hand over the German translation). A formal agreement of this kind would establish political cooperation as a key element in European unity; and would strengthen European cooperation in the security field in ways which do not cut across the objectives of the Alliance. It will be witness to the Community's determination to speak and act as a single body in external affairs. It will be the biggest single step towards European unity for many years. We hope very much that Chancellor Kohl will react positively to it and that we can then work together to get it accepted. The next step would be to talk to the French. We are convinced that this is, and will be seen as, an important and positive initiative.

There is also the important question how best to organise further discussion of the future of the Community. We really don't see much to be said for an Inter-Governmental Conference. Why set up an entirely new body which will spawn its own bureaucracy and drag on interminably? We could miss the chance to take decisions now, just when the views of Germany, France and Britain are coming closer together. We

have a very effective instrument in the European Council. Let's use it. Mitterrand seems to be thinking on the same lines. Let us try at Milan to reach agreement on a detailed timetable for completing the Common Market and a Political Cooperation Agreement. Of course, we can give a formal mandate to others to complete our work in detail. But we must take the key decisions.

Chancellor Kohl may raise the question of majority voting. You will want to urge him to be practical. The reality is that no member state will agree to be voted down when very important national interests are at stake. (You will be able to quote German behaviour on agricultural prices as a telling example). It would be fatally damaging to European cohesion to try to do it. There has to be consensus on the really important issues. But there is scope to improve decision-taking. And the best way to do it, is to make fuller use of the existing majority voting provisions of the Treaty (always subject to unanimity where vital national interests are at stake). There could also be greater use of abstention. And when the European Council has set a specific objective to be achieved by a fixed date, this could be an agreement not to invoke unanimity on the implementing measures. Lastly it's not just a matter of voting - it's a question of the level of decision-taking. We need the European Council to set clear priorities for action each year; and decisions to be reached in the Council of Ministers not endlessly passed upwards to the European Council. Once again, we have some draft conclusions on this for the European Council, which we are happy to hand over.

This should give him plenty to get his teeth into. At the end you might try to agree a line for the press which would refer to an important and significant initiative taken by you which the Chancellor warmly welcomed.

C.D.P.

15 May 1985

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TO IMMEDIATE FCO

TELEGRAM NUMBER 489 OF 14 MAY

1858/14

PERSONAL FOR RENWICK

CHEQUERS MEETING, 18 MAY

SUMMARY

1. CONVERSATION WITH RUHFUS WHO, BASING HIMSELF ON THE DOOGE REPORT, OUTLINED THE GERMAN APPROACH IN STANDARD TERMS, EXCEPT THAT HE GAVE A NEW EMPHASIS TO TECHNOLOGICAL COOPERATION. HARTMANN (FEDERAL CHANCELLERY) PRESENTED GERMAN THINKING IN CLEARER RELIEF.

DETAIL

2. I CALLED ON RUHFUS (STATE SECRETARY, AUSWAERTIGES AMT) THIS AFTERNOON TO ASK ABOUT THE GERMAN APPROACH TO CHEQUERS. RUHFUS SAID THAT THE BASIC TEXT WAS THE DOOGE REPORT. HE HAD SOUGHT AGREEMENT WITH DEPARTMENTS IN BONN DURING THE DRAFTING OF THE REPORT. WHAT HE HAD ACCEPTED REPRESENTED THE GERMAN GOVERNMENT'S VIEWS. THE POINTS WHERE THESE WERE NOT FIRM WERE THE POINTS ON WHICH HE HAD ENTERED RESERVES. THE FEDERAL CHANCELLOR WOULD BE BRIEFING HIMSELF

HAD ACCEPTED REPRESENTED THE GERMAN GOVERNMENT'S VIEWS. THE POINTS WHERE THESE WERE NOT FIRM WERE THE POINTS ON WHICH HE HAD ENTERED RESERVES. THE FEDERAL CHANCELLOR WOULD BE BRIEFING HIMSELF INTENSIVELY FOR HIS MEETING WITH THE PRIME MINISTER. ON THE QUESTIONS OF INTERNAL MARKET AND OTHER ECONOMIC ASPECTS, HE THOUGHT THERE WAS CLOSE IDENTITY OF VIEW BETWEEN THE BRITISH AND THE GERMANS, BUT THE FRG WOULD STILL HAVE DIFFICULTIES WITH THE QUESTION OF SERVICES. THE GERMAN POSITION ON MONETARY QUESTIONS AND ECONOMIC CONVERGENCE WAS WELL KNOWN AND UNLIKELY TO CHANGE. HE SAW NO CONFLICT HERE WITH THE BRITISH.

3. TECHNOLOGY

THE DOOGE REPORT HAD LAID IMPORTANCE ON TECHNOLOGICAL COOPERATION WITHIN THE COMMUNITY. RUHFUS SAID THAT SINCE THE EUROPEAN COUNCIL THIS TOPIC HAD ASSUMED EVEN GREATER IMPORTANCE. THIS WAS SHOWN BY THE EUROPEAN COUNCIL'S CONCLUSIONS, BY THE WEU MINISTERIAL MEETING, BY THE NEED TO RESPOND TO THE WEINBERGER LETTER AND BY THE FRENCH PROPOSAL ON EUREKA. HE THOUGHT THIS FIELD WOULD HAVE A CENTRAL PLACE AT MILAN. IN DISCUSSION YESTERDAY WITH THE FRENCH, THE GERMANS HAD STRESSED THE NEED TO FIND A FORM FOR EUROPEAN TECHNOLOGICAL COOPERATION COMPATIBLE WITH THE NEED TO RESPOND TO SDI. THEY HAD ALSO STRESSED THE IMPORTANCE OF SITING ANY COORDINATION MACHINERY WITHIN THE COMMUNITY AND THE URGENT NEED TO IDENTIFY CONCRETE PROJECTS FOR COLLABORATION. THE GERMANS BELIEVED THEY HAD NOW TALKED THE FRENCH OUT OF THE IDEA OF A NEW AGENCY INDEPENDENT OF THE COMMUNITY. FOR THEIR PART, THE GERMANS WERE CONVINCED THAT EUROPE'S TECHNOLOGICAL RESPONSE TO SDI SHOULD BE A COMMON ONE, NOT A SERIES OF BILATERAL ONES. IN THIS RESPECT CLOSE COOPERATION BETWEEN THE UK, THE FRG, FRANCE AND ITALY WAS ESSENTIAL. HE THOUGHT FURTHER BILATERAL DISCUSSION BETWEEN THE GERMANS AND THE BRITISH AFTER CHEQUERS WOULD BE VALUABLE. THE EXPERIENCE OF GEMAN FIRMS IN PREVIOUS RESEARCH COLLABORATIONS WITH THE AMERICANS HAD BEEN NEGATIVE WHEN THE QUESTION OF GETTING US PERMISSION TO APPLY KNOWHOW AROSE.

4. FOREIGN AND SECURITY POLICY.

RUHFUS HAD BEEN DISAPPOINTED WITH THE RECENT DISCUSSION AMONG POLITICAL DIRECTORS. HE FELT THAT THE BRITISH WERE READY TO MOVE SIGNIFICANTLY ON THE QUESTION OF FOREIGN POLICY COORDINATION BUT THE GERMANS WOULD BE VERY INTERESTED TO HEAR BRITISH IDEAS ON SECURITY POLICY COORDINATION. THIS WAS A VERY IMPORTANT AREA WHICH WOULD BE VERY DIFFICULT TO MANAGE WITH EXISTING MECHANISMS IN A COMMUNITY OF TWELVE.

GERMANS WOULD BE VERY INTERESTED TO HEAR BRITISH IDEAS ON SECURITY POLICY COORDINATION. THIS WAS A VERY IMPORTANT AREA WHICH WOULD BE VERY DIFFICULT TO MANAGE WITH EXISTING MECHANISMS IN A COMMUNITY OF TWELVE.

5. INSTITUTIONAL QUESTIONS.

ON THE QUESTION OF MAJORITY VOTING, THE GERMANS WOULD BE ATTENTIVE TO SEE HOW FAR OTHERS COULD GO. THAT WOULD INFLUENCE FURTHER INTERDEPARTMENTAL DISCUSSION IN BONN. (COMMENT: AMONG SPECIALIST MINISTRIES HERE THERE IS LITTLE APPETITE FOR ADOPTING ~~MAJORITY~~ ^{MAJORITY VOTING} AS THE COMMUNITY'S RULE). ONE OF THE GERMAN AIMS WOULD BE TO PREVENT THE INSTITUTIONALISATION OF THE VETO. TAKING KIECHLE'S STAND AS MY TEXT, I POINTED OUT THE DEFICIENCIES OF THIS GERMAN APPROACH BUT RUHFUS REPLIED THAT OUR APPROACH, EVEN WITH A MECHANISM TO PREVENT ABUSE, WAS NOT ENOUGH.

6. MORE RIGHTS FOR THE PARLIAMENT.

ALTHOUGH RUHFUS DETECTED THAT MR RIFKIND HAD GREAT DIFFICULTIES WITH THE NOTION OF 'CO-DECISION', HE THOUGHT THAT SOME KIND OF GREATER 'PARTICIPATION' FOR THE PARLIAMENT WAS NOT IMPOSSIBLE FOR THE BRITISH. I SAID I WAS SCEPTICAL OF OFFERING FURTHER POWERS TO THE PARLIAMENT, PARTICULARLY IN THE MATTER OF RAISING REVENUE: IN OUR VIEW THE KEY WAS TO ASSOCIATE THE PARLIAMENT EARLIER IN THE DISCUSSION OF POLICY.

7. INTERGOVERNMENTAL CONFERENCE.

RUHFUS AGREED THAT THIS WAS ESSENTIALLY A QUESTION OF PROCEDURE AND THAT A VIEW ON IT COULD ONLY BE TAKEN WHEN THE POSSIBILITIES WERE CLEARER, IE PROBABLY AT MILAN. IT WAS IMPORTANT TO AVOID CREATING EXAGGERATED EXPECTATIONS. HE THOUGHT MITTERRAND'S RECENT BACKGROUND BRIEFING REFLECTED SIMILAR ANXIETY. I SAID I THOUGHT THAT WE HAD AN OPEN MIND ABOUT AN INTERGOVERNMENTAL CONFERENCE, COULD SEE NO PRESENT NEED FOR ONE, RECOGNISED THE OBVIOUS DANGERS AND COULD ENVISAGE THAT PROVIDED THE MILAN COUNCIL TOOK CLEAR DECISIONS, A CONFERENCE WOULD NOT BE NECESSARY.

8. A TREATY

IN ANSWER TO MY QUESTION HOW MUCH IMPORTANCE THE GERMANS ATTACHED TO THIS AS SUCH, RUHFUS SAID THAT IF THERE WAS ENOUGH SUBSTANCE, IE A CODIFICATION OF PROCEDURES AND COMMITMENTS IN THE FOREIGN AND SECURITY POLICY FIELDS PLUS SOMETHING SIGNIFICANT ON TECHNOLOGY, ALL OF THIS LEADING IN THE DIRECTION OF EUROPEAN UNION, THEN THERE WOULD BE A GOOD CASE FOR A TREATY.

9. HARTMANN (FEDERAL CHANCELLERY) IN A SEPARATE CONVERSATION WITH COUNSELLOR (ECONOMIC), SAID THAT FOR THE CHANCELLOR THE KEY QUESTION WAS A QUALITATIVE STEP IN THE FIELDS OF FOREIGN AND SECURITY POLICY. MILAN NEEDED TO GIVE A CLEAR SIGNAL TO THE DIRECTION IN WHICH THE COMMUNITY WAS GOING. IT WOULD TAKE A CONSIDERABLE TIME, EVEN IF FULL AGREEMENT COULD BE REACHED, TO TRANSFORM THE RECOMMENDATIONS OF THE DOOGE REPORT INTO EFFECTIVE TEXTS. WHAT REMAINED OF 1985 REPRESENTED A WINDOW OF OPPORTUNITY. IN 1986 BOTH THE FEDERAL GOVERNMENT AND THE FRENCH GOVERNMENT WOULD BE DEEPLY PRE-OCCUPIED WITH NATIONAL ELECTIONS. THE PRESENT FEDERAL CHANCELLOR'S AIM WAS DEFINITELY TO ANCHOR THE FEDERAL REPUBLIC IN THE WEST, AND THUS REINFORCE THE FEDERAL REPUBLIC'S WESTERN ORIENTATION ALREADY ACHIEVED BY HER MEMBERSHIP OF THE ALLIANCE. SUBSEQUENT CHANCELLORS MIGHT GIVE THIS A LOWER PRIORITY. HARTMANN SAID THAT THE GERMANS WOULD BE VERY INTERESTED IN ANY IDEAS WE MIGHT HAVE ABOUT INSTITUTIONALISING COOPERATION IN THE FOREIGN AND SECURITY POLICY FIELDS. THE CHANCELLOR ATTACHED CONSIDERABLE IMPORTANCE TO ACHIEVING EUROPEAN UNION BUT WAS NOT ABLE TO ANSWER THE QUESTION WHAT WOULD BE THE MINIMUM THE GERMANS WOULD BE PREPARED TO CALL A UNION. BEAMISH POINTED OUT THE DIFFICULTIES THE WORD 'UNION' GAVE US, ADDING THAT OUR INTEREST WAS ABOVE ALL IN SUBSTANCE, ESPECIALLY PROGRESS ON THE INTERNAL MARKET. ON THE INSTITUTIONAL QUESTIONS WE WERE NOT PREPARED TO GIVE MORE POWERS TO THE PARLIAMENT NOR TO FOREGO THE POSSIBILITY FOR MEMBER STATES TO CLAIM A VITAL NATIONAL INTEREST.

10. COMMENT

I DID NOT FORM THE IMPRESSION THAT RUHFUS HAD BEEN INVOLVED IN ANY NEW THINKING ON THE ISSUES FOR DISCUSSION AT CHEQUERS. THERE MAY NOT HAVE BEEN ANY, OWING TO KOHL'S OTHER CARES.

BULLARD

NNNN

VISIT OF HIS EXCELLENCY DR HELMUT KOHL CHANCELLOR OF THE
FEDERAL REPUBLIC OF GERMANY 18 MAY 1985

Administrative Plan

(to be read in conjunction with the programme)

18 May

ARRIVAL

When the Chancellor's aircraft has landed the Station Commander Group Captain A M Wills OBE, ADC, RAF will accompany the greeting party to the bottom of the aircraft steps.

His Excellency Baron Rüdiger von Wechmar will board the aircraft and escort the Chancellor to the tarmac where he will be welcomed by:

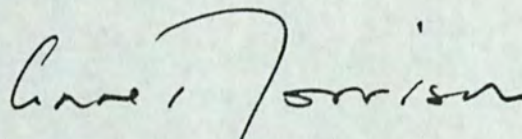
The Rt Hon The Baroness Young
Minister of State for Foreign and Commonwealth
Affairs
Group Captain Robert Thomson Escort Officer

Transport

Car plan is at Annex 1.

Interpreters

Mr Lederer will interpret for the Prime Minister and Frau Siebourg will interpret for the Chancellor.



Anne Morrison
Protocol Department
273 3585

APRABC

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Foreign and Commonwealth Office

London SW1A 2AH

13 May 1985

Dear Charles,

Prime Minister's Meeting with Chancellor Kohl:
Development of the Community

I attach the brief on the development of the Community for the Prime Minister's talks with Chancellor Kohl. This may require some updating before the meeting. German versions of the document which might be handed over to Chancellor Kohl, including the agreement on political cooperation, are being prepared and will be sent to you shortly. The background was set out in the Foreign Secretary's minutes of 15 and 26 April.

The Italians and Benelux still want to see a conference launched to amend the treaties to provide for more majority voting, agreement on closer cooperation in other areas, and possibly to devise some catch-all treaty on 'European union'. In the Prime Minister's talk with him in Bonn, President Mitterrand seemed to be beginning to realise that a conference would not be likely to lead to results, as he desires, before the French elections next spring. The French, however, will want to portray themselves as being willing to intensify European cooperation; and to try to work out something with the Germans. President Mitterrand expressed some scepticism to journalists in Paris on 9 May about an inter-governmental conference to draft a new Treaty. He added that he was still determined to press on with European political integration: one option was to push ahead with some, but not all, of the Community's current members. The Milan European Council might be followed by a smaller meeting of heads of government who were prepared to intensify their cooperation.

Sir Julian Bullard considers it to be clear from our recent contacts with the Chancellery that Kohl hopes to be able to work something out with us. He realises that he must not ask the politically impossible, but hopes that it will be possible to agree on something which meets his desire to see a strengthening of European cooperation - and what he sees as his own political requirements.

The talks with Chancellor Kohl at Chequers, therefore, will be crucial to the outcome of the Milan European Council. Our position is a strong one, as the Prime Minister will be

/ able ...



able to point out that we are in favour of greater unity - internally through the creation of a genuine common market, and externally through the strengthening of political cooperation.

This latter point will be particularly important for Kohl. The Germans have put the reinforcement of cooperation in foreign policy and security at the top of their priorities. Their juridical turn of mind leads them to hanker after a treaty on 'European Union' even though they suggest that such a treaty would do little more than codify what already exists. Chancellor Kohl, however, should see considerable attractions in the formal agreement on political cooperation which the Prime Minister will be offering him. This is something he could present in the FRG as a further step in the process of constructing Europe and achieving greater unity. (We shall be able to explain that if the Irish are unable to agree to the passages to which we and the Germans attach importance on our security cooperation within the Alliance, it would be possible for them to subscribe to the rest of the agreement while reserving their position on security cooperation: this point about the Irish has been an important factor also in the German interest in increased security cooperation among the WEU Seven.)

On the political cooperation text, provided Chancellor Kohl's reactions are positive, the Foreign Secretary would propose to give a copy privately to M. Dumas when he sees him in Paris on 21 May. Otherwise, the French will hear of it from the Germans. French views on this subject are in any case close to our own. We will not disseminate the text to other Member States until much nearer the European Council. We should aim to get it agreed that the Political Directors should work out a final text for signature by the European Council in December.

Kohl will want to go further in some respects. He would like to give the European Parliament greater responsibility for legislation, though the Germans have now become much cooler about the idea of any increase in the powers of the European Parliament, which they know we will not agree to anyway. They also dislike the Luxembourg compromise - though their objections are to the idea, not the reality which underlines it. The Foreign Secretary thinks it important that we should present our position on this in a way that will be convincing to Kohl. As the Prime Minister will know, the Germans always claim that the Luxembourg compromise was no more than an agreement to disagree. So do the Italians and Benelux. In a sense this is borne out by the text which states (copy enclosed) that: 'the French delegation considers that where very important national interests are at stake the discussion must continue until unanimous agreement is reached'.

/ The reality, ...



The reality, however, is that de Gaulle won his point and that the existence of the compromise has governed to a large extent the way business has been conducted in the Councils ever since. Indeed, it has done so to the extent of inhibiting voting, even after long discussion, on relatively unimportant issues; and this does need to be corrected if the enlarged Community is to function effectively.

Rather than simply stressing our attachment to the Luxembourg compromise, the Foreign Secretary suggests that we should emphasise that the fundamental political reality is that no government actually is prepared to permit itself to be voted down in the Council on a matter of major importance to it. There are plenty of examples in the German case - witness Kiechle's present performance in the Agricultural Council - and in that of every other Member State. Some relevant examples are provided in the brief.

The Prime Minister will want to find out Kohl's intentions, not least in relation to his talks with Mitterrand. The areas in which the original Six have talked of increased cooperation - without giving any real definition to their ideas - include health, culture, science, education, security and industrial collaboration. The French and Germans have moved to spot checks for people crossing their land frontiers; and they are, of course, all participating in the ERM. If political cooperation is dealt with in a separate formal agreement, however, it is far from clear what real content could be given to any other new agreement - given that any change to the existing Treaties would of course require the agreement of all Member States.

Mitterrand will want to get German support for his 'Eureka' proposal, but is only likely to do so in a severely modified form. The Germans will not agree to a new agency; they agree with us that any further coordination must not duplicate what is being done in the Community and the European Space Agency; and they are not likely to be prepared to go in for large scale public funding. Their views on what needs to be done in the coordination of research are closer to ours. But in the end most members of the Community are likely to see attraction in some intensified 'variable geometry' cooperation in research. OD(E) will be discussing this on 14 May and the Prime Minister will have a separate note on this before her talks with Kohl.

The Foreign Secretary suggests that the Prime Minister should take the opportunity to point out the need to strengthen European cooperation in practical ways. That means agreeing on the European fighter aircraft and ensuring that the French participate and do not go their own way in relation to that project.

/ I am ...

CONFIDENTIAL



I am sending a copy of this letter to the Private Secretary to Sir Robert Armstrong.

*Yours ever,
Colin Budd*

(C R Budd)
Private Secretary

C D Powell Esq
10 Downing Street

CONFIDENTIAL



VISIT BY CHANCELLOR KOHL TO CHEQUERS

DEVELOPMENT OF THE COMMUNITY

Our Objectives

To persuade Chancellor Kohl:

(i) instead of pursuing the idea of an inter-governmental conference, to adopt instead our proposal that heads of government themselves should take decisions at the June and December European Councils.

(ii) that we are in favour of strengthening European unity in practical ways - internally through completion of a genuine common market and improved decision taking; externally through the strengthening of political cooperation.

Arguments to Use

- Accession of Spain and Portugal major political gain for the Community but do not under-estimate difficulties of adjustment, both for them and for Community:

- relative poverty of the two countries;
- predominance of agriculture in their economies;
- difficulties of adjusting to Community's



industrial economy.

- Will need to work closely with you and the French to ensure that sensible policies adopted in the

Community of Twelve on:

- convergence: will only come about through adoption of the appropriate economic policies. Must be help for the poorest but without increased resource transfers;

- continued reform of balance of spending. Must get northern surpluses under control if we are to contain expenditure on Mediterranean products;

- maximise the economic benefits we can all hope to derive from Community by breaking down the internal barriers. This the key to creation of wealth and employment and to our ability to compete with US and Japan.

- Agree therefore that we should try, before enlargement, to set pattern of Community's future development. This implies substantive decisions at June and, if necessary, December European Councils: nothing that inter-governmental conference can do which European Council cannot do better.

- UK approach based on strengthening European unity:



- Hope European Council can reach broad agreement on Commission white paper on completion of the common market, in particular a clear timetable for each area, within overall 1992 deadline;

- Commission paper will also give some emphasis to proposals for tax approximation. They will cause problems for all Member States. It is possible to make real progress in completion of the common market. It is a mistake to try to do so by the hardest route. US experience has already shown tax approximation is not necessary to create a single market for goods and services.

- We also look for early progress in deregulation, following up the initiative at the March European Council. We are consulting our business organisations to draw up list of directives which impose real burdens on business. Hope FRG will consider similar steps. Delors keen to take action in response to European Council remit but will need help from Member States.

Externally

- UK and FRG the firmest supporters of Political Cooperation. Share view that Europe can most



effectively deploy its considerable influence by acting together in external affairs. Both take responsible attitude towards consultation, observe commitments and avoid springing surprises on partners. Have cooperated in various attempts to strengthen and extend scope of Political Cooperation, most recently Stuttgart declaration.

- Share your interest in development of political cooperation so as to provide an effective basis for cooperation in joint action in world affairs.

- Where the Community has not been able to speak with a united voice, its credibility and influence have suffered.

- Believe moment now reached to take further important step.

- We have drafted a formal agreement on political cooperation (copy at Annex B to be handed over).

- Grateful if you would look through this draft and give me your early reactions. If they are positive would then show it to the French, but not to others at this



stage.

- If you agree with our approach, hope we can work together to get it accepted. Formal agreement of this kind would establish political cooperation as a key element in European unity. Would exert pressure on systematic dissidents like the Greeks to honour their commitments.

- Our draft deals with European cooperation for European security in ways which will strengthen and do not cut across our objectives in the Alliance (Article 8 of the draft). This very important.

- Can agree to small political cooperation secretariat. But must be small. Main responsibility for coordination must remain with Presidency. Must not create a new bureaucracy. Can consider a suitable German head of political cooperation secretariat.

Institutionally

- Real positions of Member States not far apart.

- All recognise that, in enlarged Community, greater use will need to be made of the majority voting



provisions of the Treaties if Community is to function effectively.

- Presidency should call for vote on less important matters after full discussion in the Council. But this must be done in ways which will increase confidence in the use of majority voting.

- For the reality in the Council is that no member state will agree to be voted down when very important national interests really are at stake. It would be fatally damaging to the cohesion of the Community to try to vote a member state down on issue of great importance to it and which placed the government in an impossible position vis à vis its own Parliament. On the really important issues, therefore, have to proceed by consensus.

- [Examples: FRG at Dublin European Council could not have accepted a vote on amendments some were proposing to the wine regime. Herr Kiechle has used language based on Luxembourg compromise in the discussions in the Agriculture Council. These are matters which fall under Article 43 of the Treaty -which already provides for majority voting. It is not Treaty amendment which is



required. Neither you nor we could have accepted a vote on vehicle emissions. But in the end a satisfactory solution was found.]

- Key provisions of the Treaty requiring unanimity do so for good reasons. How, for example, could it make sense to switch to majority voting on the seat of the European Parliament (Article 216); New Accessions (Article 237); own resources (Article 201); Capital Movements (Article 71); Harmonisation of Taxation (Article 99); common economic policy (Article 103(2)) etc? [Other examples are set out in list attached.]

- We do not believe best way to achieve results is to call an inter-governmental conference to go through all the Articles of the Treaty. That would take a very long time and lead to uncertain results.

- Better course is for heads of government themselves to reach practical decisions, based on the existing Treaties but designed to make them work better, and which can be implemented straightaway.

- We can agree that there should be more majority voting where the Treaties so provide.



- Where the Treaties require decisions to be taken by unanimity, Member States should make greater use of abstention as provided for in the Treaties.

- Where it is agreed that a specific objective should be achieved by a particular date, we might also agree that Member States should seek not to invoke the unanimity rule in relation to the measures necessary for its implementation.

- We have reflected these ideas in draft conclusions of the European Council [copy at Annex C which may be handed over].

- Do not believe that Treaty amendment is the right route.

- Believe that better course would be to make some changes, within existing Treaties, which could be implemented straightaway.

Powers of the European Parliament [As necessary]

- Treaty powers of the European Parliament reflect balance between the institutions.



- It is Member Governments who will remain answerable to their electorate for Community decisions and who are responsible for raising revenue to finance Community policies.

- Parliament's draft Treaty would be a recipe for institutional conflict and bring decision taking in the Community to standstill.

- For the Community to work institutional balance must remain as in the Treaties. But there is room for:
 - improved and extended conciliation procedure involving more effective and genuine consultation between Council and Parliament at earlier stages;
 - the Parliament making better use of its existing right to put forward proposals for Community action.

- Better follow up by the Council of European Parliament resolutions.

- What we could agree to on the Parliament is set out in the attached draft conclusions (Annex D).

Chancellor Kohl's Objectives

- (i) To try to persuade the Prime Minister of the need



for action to strengthen the cohesion of the Community and which he can present domestically as constituting progress towards "European union".

(ii) To see whether there is a basis for working with us at the Milan European Council.

Our Response

- European union means different things to different people.

- In UK "union" means the union of England and Scotland ie a unitary state. But we are in favour of greater European unity.

- Do not believe your idea of union dissimilar from our own, ie increasing unity of action where this can achieve practical results in the interest of all Member States.

- Steps I have outlined (completion of common market; formalisation of political cooperation and improved of decision making) would represent single biggest step towards closer unity for many years.



[If Chancellor Kohl advocates Treaty amendment]

- Do not believe that Treaty amendment would make the practical difference that you and we are seeking.

- Large number of key Articles of the Treaty have not been applied eg: Article 3 (Completion of Common Market); Article 67 (Capital Movements); Articles 75/84 (Transport) and 59 (Services).

- Votes at present are not being taken under the majority voting provisions of the Treaties even when no very important interests at stake.

- Not possible to amend the Treaties without unanimous agreement.

- What is required is not to amend the Treaties but to apply them; reinforce political cooperation; improve decision taking in real and practical ways; complete the common market.

[If Chancellor Kohl raises the Luxembourg compromise]:

- It is common ground throughout the Community that no member state will accept to be outvoted where it considers a very important national interest to be at



stake. This is true for the Italians over steel quotas; the French over the seat of the institutions; the Irish over milk quotas etc.

- This is not so much a question of the Luxembourg compromise, on which member states take different views, as of the fundamental understanding on which cooperation in the Community is based and the reality in the Council.

- But we are ready to see established a procedure to prevent abuse eg by the Greeks, by requiring any government which invokes Luxembourg compromise (or uses similar language, as Herr Kiechle did in Agriculture Council) fully and formally to explain to his ministerial colleagues in a special procedure of the Council why his government considers very important national interests really to be at stake.



Vehicle Emissions [if raised]

- Cannot start unpicking the outline compromise reached at the last Environment Council.

- Concerned to learn German representatives seem to be having second thoughts when it comes to working out the details.

- Compromise contained difficult elements for almost everybody: certainly for both the United Kingdom and Germany. But no other compromise possible. Nor are critical engineering factors susceptible to diplomatic bargaining.

- Need to stick to what has been agreed.



Other Issues

Trade Issues

- Must not over-stress Summit disagreement on specific timing for new GATT round.

- But the French attitude is dangerous vis-à-vis the Americans. Could increase protectionist pressures in US and has already led to moves to increase export subsidies for agricultural products.

- This reinforces our concern about cereals prices in the price-fixing: failure to keep them down would increase risk of serious trade conflict.

- Summit endorsed new round "as soon as possible" and preparatory meeting "by end of summer": need to pursue common objectives urgently in the GATT to ensure that negotiations can be launched in 1986.

- This issue distracted attention from Japan.

- Must continue to press for real action to reduce trade imbalance and a genuine opening up of markets rather than simply statements of intent, of the kind we have heard so often before.



- Must emphasise to Japanese that we need results, not best endeavours, if protectionist pressures are to be resisted.

Polish Church Agriculture Scheme (if raised)

- Have considered carefully whether we should contribute: aware of German keenness for EC contribution. But remain unconvinced.
- Real risk that State would be ultimate beneficiary of funds and equipment.
- Support for \$28 million pilot programmes (of little purpose on their own) will inevitably create expectation of (and moral commitment to) support for overall scheme costing anything up to \$2 billion.
- No evidence of scheme's economic viability.
- Cardinal Glemp confirmed to Secretary of State still unclear whether Polish Government will approve scheme: Soviet Union clearly concerned about implications.
- No objection to bilateral national contributions. But could not explain to British opinion UK or EC



contribution in competition with eg Ethiopia.

EC/Turkey (if raised)

- Turkish resentment at EC failure to end freeze in relations growing.

- But, despite UK and FRG efforts, immediate prospects of reverting to more normal relationship (starting with release of some outstanding EC aid) remain slim.

- Danish Government accept political case for unblocking aid but unable to win over their Parliament.

- No use putting squeeze on Greeks until Danes move.

- While we can both keep up friendly pressure on Danes, important that Turks do more to improve their public image.

Early Application for Membership

- Turks well aware we think this would be serious mistake.

- But no point in dwelling on this: would only encourage them to think threat of application gives them some leverage with Community.



Essential Facts

1. Chancellor Kohl started off by wanting something he could present as a Treaty on European union, including amendment of the existing Treaties to bring about greater majority voting and to increase the powers of the European Parliament. The Germans claim never to have accepted the Luxembourg compromise (which was at the time an agreement to differ) but are in reality no more prepared to be voted down on vital issues than other Member States. Kohl believes that Mitterrand is prepared to abandon some traditional French positions but must realise that there is no chance of getting the agreement of all Member Governments to major changes. Some sections of the German Government share our view of the implications of, for instance, increased powers for the Parliament. Our own lobbying of Kohl's advisers has had an effect. At the March European Council Kohl said that it was important not to enter a conference lightly. It could prove paralytic. The trouble with Europe was that there were too many grand visions and not enough progress.

2. This reflected his desire to work with us. This certainly is genuine: he needs no reminding of the



importance of the security relationship between the UK and FRG. But it is also based on the supposition that it may be possible to work out something which he can present politically as an important step forward. He appears to think in terms of a core grouping within the Community in which he hopes we will participate. But his ideas on the content of new agreements are vague. He is likely to be attracted by the idea of a new formal agreement covering political cooperation. He will, ostensibly at least, want to go further than we would wish on majority voting and the powers of the European Parliament. He would probably still like a conference, but will be tempted to go along with our approach if he thinks it will lead somewhere and be politically valuable for him.

4. The Italians and Benelux will go on pressing for an inter-governmental conference. President Mitterand has not yet made up his mind. He will want to try to present himself as more "European" than us. In reality, however, the French position is not far from our own: they do not want to give substantive new powers to the European Parliament. Nor are they willing to see vital national interests overridden though - subject to maintenance of the Luxembourg compromise - they would be



prepared to amend the Treaty to provide for more majority voting. If, however, we can get Chancellor Kohl on board for our ideas we have a better prospect of persuading the French to accept our approach. Mitterrand wants any conference to produce results before his elections next year and is beginning to realise that this might not happen. He told the Prime Minister in Bonn that he had some sympathy for our approach. If Kohl remained keen on a conference, however, Mitterrand would also support one.

Luxembourg Compromise : Recent Quotes

Germany: In the Agriculture Council on 22 April, Herr Kiechle said that cereal prices was "a point of national interest". In the Agriculture Council on 4 May Herr Kiechle said that Germany would "avail itself of all possibilities open to it to defend its national interests".

France: In a speech in Germany in November 1984, M. Dumas said it was indispensable to maintain "the possibility for a Member State to invoke a vital national interest provided that the Member State justifies it objectively in the Council".

Republic of Ireland: Dr Fitzgerald said in a speech on 22 March: "The outstanding issue of providing for the



exceptional case where a genuine vital national interest of a Member country might be overridden by other Members should be capable of resolution ..."

Internal Market

- The Germans profess enthusiasm for the internal market. Like us, they are free traders, and believe that the common market should be open and outward-looking. But they also have a strong instinct to regulate, and this (e.g. under the guise of consumer protection) is the most frequent source of UK complaints about German barriers to trade.

Transport

- On road haulage, the Germans regard harmonisation (eg lorry weights) as a precondition for liberalisation. They are anxious to steer traffic towards heavily regulated rail and inland waterway networks. Our interests are therefore likely to continue to conflict. On aviation they have accepted more liberal bilateral arrangements (which are, however, still much more restrictive than those we have with the Dutch). This should make them less resistant to liberalisation at the Community level. They have, however, recently turned down an application by British Caledonian for a package



of cheap fares.

Insurance

- Thanks to EC Directives there is now no obstacle to UK insurers establishing themselves in the heavily regulated German market; but it remains very difficult for the UK industry (notably Lloyds) to trade there on a services basis, i.e. without establishing a company in Germany. The European Court is currently considering cases against the FRG both on this and on the implementation of the Co-insurance Directive. Judgment is now expected early next year. We think it likely that the Court will decide against the FRG, but it remains to be seen how helpful to us its judgment will be. Meanwhile, progress on the non-life insurance directive has come to a virtual halt.

European Community Department (Internal)

10 May 1985



Vehicle Emissions

8. The March Environment Council struck a political bargain on Community standards for vehicle emissions within which officials were to work up the technical details. On returning home the Germans came under severe criticism from the Greens and other environmentalists (whose votes are keenly sought by both major political blocks).

9. Germans experts now seem to be trying to retrieve the position under the guise of engineering arguments directed in particular to the concessions we obtained on the key issue of standards for medium and small sized cars. The Environment Council agreed that the standard for medium vehicles should be one capable of being met by simple lean-burn technology (cost £150 per vehicle). The Germans are arguing that lean-burn can achieve higher standards. This is true, but only by using complex lean-burn technology which would cost around £500 per vehicle.

10. Others, particularly the French and the Commission, are actively concerned to keep the Environment Council package intact. But we understand that the Chancellor may be recommended to see if he can win the Prime

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Minister's support for setting ambitious Community standards making the assumption (unwarranted) that lean-burn technology can achieve US emission standards without sophisticated additions at unwarranted cost.

European Community Department (Internal)

16 May 1985

CONFIDENTIAL



UNANIMITY PROVISIONS OF THE EC TREATY

The existing unanimity provisions are listed below. Cases where amendment would give particular difficulty to one or more Member States are marked with an asterisk (*).

A: Membership of Community Institutions

- * 157 - Size of Commission
- 158 - Appointment of Commissioners
- 159 - Replacement of Commissioners
- 165 - Size of European Court
- 166 - Number of Advocates-General
- 167 - Appointment of Judges and Advocates-General
- 194 - Membership of Economic and Social Committee
- 206(4) - Membership of Court of Auditors

B: Other Institutional Matters

- 126(b) - New tasks for Social Fund
- * 149 - Amendment of Commission proposals
- 196 - Rules of Procedure of Economic and Social Committee
- 209 - Financial Regulations and other budgetary procedures
- * 217 - Languages of Community institutions

C: Protection of Rights of Community Nationals

- 51 - Social security for migrant workers
- 57(2) - Rights of establishment in certain professions
- 59(2) - Extension of freedom of services to nationals of non-EC countries
- * 75(3) - Common transport provisions likely to have serious effect on standard or living, employment etc.
- 76 - New restrictions on carriers from another Member State
- 93(2) - State aids exceptionally held to be compatible with the Treaty
- 121 - Implementation of common social measures



D: Other Provisions with Major Policy Implications

- 28 - Alteration or suspension of customs duties
- 70(1) - Capital movements between Member States and third countries
- * 84(2) - Sea and air transport policy
- * 99 - Harmonisation of indirect taxation
- * 100 - Approximation of laws, etc
- * 103(2) - Common economic ("conjunctural") policy measures
- * 223(3) - Amendments to list of war materials, etc
- * 235 - New areas of action
- 238 - Association/cooperation agreements with third countries

E: Decisions to be adopted or ratified in accordance with Member States' constitutional requirements, or requiring common accord of Member States

- * 138(2) - Uniform electoral procedure
- * 201 - Own resources
- * 216 - Seat of the institutions
- 231 - Cooperation with OECD
- * 236 - Treaty amendment
- * 237 - New accessions
- 239 - Annexation of protocols to the Treaty



PM/85/37

PRIME MINISTER

Political Cooperation

1. In my minute of 15 April on the development of the European Community I said that we were preparing a draft agreement on political cooperation. I suggested that you might look at this with a view to handing it privately to Chancellor Kohl at Chequers and, subsequently perhaps, to one or two other heads of government in the run up to the Milan European Council. The aim would be to ensure that the discussions which will now be engaged anyway on the formalisation of political cooperation take place on the basis of our ideas, rather than those of others. By giving the Milan summit a substantial programme of work in this area, it could also reduce the pressure for progress on other parts of the Dooge Committee report which are less acceptable to us.

2. I now attach a draft agreement together with a commentary. To appeal to Chancellor Kohl, this does need to be a fairly full text covering all the major aspects of political cooperation as it has developed.

3. As you will see, the draft is essentially a codification of what is already happening. The language of virtually all the articles is based firmly on existing texts. I should however like to draw your attention to the following points.

4. This will be an agreement between the member states. The preamble is drafted in such a way as to rule out any question of Community competence (and with it any Commission right of initiative, involvement of the



European Court, etc). It would leave political cooperation in the same relationship to Community activity as at present.

5. Under Article 2 the obligation is to consult. Our record in that regard is second to none. We are not, however, committed to follow the views of others and would not be hindered in any way from acting in defence of essential British interests.

6. Agreement on Article 2.4 would make it much more difficult for any one member state (eg Greece) to have public rows with the others (such as those over the Korean airliner incident and INF deployment). Article 5.2 is intended to put pressure on our partners to take a less shaky line on the Falklands at the United Nations. Article 5.3 protects our position in the Security Council.

7. The short passages on security under Article 8 do no more than state the current practice. Article 8.1 places cooperation among the member states in this area firmly in the context of the contribution we make to the Alliance. Article 8.2 describes what is already going on in terms of cooperation between the member states in joint projects, though it would put some additional pressure on the French in relation to cooperation over the European fighter aircraft.

8. The Ten already discuss in political cooperation non-military aspects of security, in particular East-West relations and CSCE/CDE, UN disarmament issues, and economic aspects of security. The text does not change matters in this regard and,



as drafted, should not worry the Americans.

The Irish will certainly not be able to accept these references to the security cooperation between member states within the Alliance since they do not participate in it. That is their problem. It would, however, be open to them to enter into this agreement while reserving their position on this passage. The references to our existing security cooperation are indispensable for Kohl and the other member states of the Community who are also members of the Alliance.

If you are content with the draft, we shall prepare a German version to be available for your talks with Kohl. I would propose to draw on the content, though not necessarily to hand over the text, when I see Dumas in Paris on 21 May.

I am sending copies of this minute and enclosures to the Secretary of State for Defence, the Attorney General and Sir Robert Armstrong.

A handwritten signature in dark ink, appearing to be 'G. Howe', written in a cursive style.

GEOFFREY HOWE

Foreign and Commonwealth Office
26 April, 1985

ANNEX D

THE LUXEMBOURG ACCORDS

At the Extraordinary Council session of 28 and 29 January 1966, the Six reached agreement and the following statements were issued:

a. Relations between the Commission and Council

Close co-operation between the Council and the Commission is essential for the functioning and development of the Community.

In order to improve and strengthen this co-operation at every level, the Council considers that the following practical methods of co-operation should be applied, these methods to be adopted by joint agreement, on the basis of Article 162 of the EEC Treaty, without compromising the respective competences and powers of the two institutions.

1. Before adopting any particularly important proposal, it is desirable that the Commission should take up the appropriate contacts with the Governments of the Member States, through the Permanent Representatives, without this procedure compromising the right of initiative which the Commission derives from the Treaty.

2. Proposals and any other official acts which the Commission submits to the Council and to the Member States are not to be made public until the recipients have had formal notice of them and are in possession of the texts.

The "Journal Officiel" (official gazette) should be arranged so as to show clearly which acts are of binding force. The methods to be employed for publishing those texts whose publication is required will be adopted in the context of the current work on the re-organisation of the "Journal Officiel".

3. The credentials of Heads of Missions of non-member states accredited to the Community will be submitted jointly to the President of the Council and to the President of the Commission, meeting together for this purpose.

4. The Council and the Commission will inform each other rapidly and fully of any approaches relating to fundamental questions made to either institution by the representatives of non-member states.

5. Within the scope of application of Article 162, the Council and the Commission will consult together on the advisability of, the procedure for, and the nature of any links which the Commission might establish with international organisations pursuant to Article 229 of the Treaty.

6. Co-operation between the Council and the Commission on the Community's information policy, which was the subject of the Council's discussions on 24 September 1963, will be strengthened in such a way that the programme of the Joint Information Service will be drawn up and carried out in accordance with procedures which are to be decided upon at a later date, and which may include the establishment of an ad hoc body.

7. Within the framework of the financial regulations relating to the drawing up and execution of the Communities' budgets, the Council and the Commission will decide on means for more effective control over the commitment and expenditure of Community funds.

b. Majority voting procedure

I. Where, in the case of decisions which may be taken by majority vote on a proposal of the Commission, very important interests of one or more partners are at stake, the Members of the Council will endeavour, within a reasonable time, to reach solutions which can be adopted by all the Members of the Council while respecting their mutual interests and those of the Community, in accordance with Article 2 of the Treaty.

II. With regard to the preceding paragraph, the French delegation considers that where very important interests are at stake the discussion must be continued until unanimous agreement is reached.

III. The six delegations note that there is a divergence of views on what should be done in the event of a failure to reach complete agreement.

IV. The six delegations nevertheless consider that this divergence does not prevent the Community's work being resumed in accordance with the normal procedure.

The members of the Council agreed that decisions on the following should be by common consent:

- a. The financial regulation for agriculture;
- b. Extensions to the market organisation for fruit and vegetables;
- c. The regulation on the organisation of sugar markets;
- d. The regulation on the organisation of markets for oils and fats;
- e. The fixing of common prices for milk, beef and veal, rice, sugar, olive oil and oil seeds.

Finally, the Council drew up the following programme of work:

1. The draft EEC and Euratom budgets will be approved by written procedure before 15 January 1966.
2. The EEC Council will meet as soon as possible to settle as a matter of priority the problem of financing the common agricultural policy. Concurrently, discussions will be resumed on the other questions, particularly the trade negotiations in GATT and the problems of adjusting national duties on imports from non-member countries.
3. The Representatives of the Member States' Governments will meet on the day fixed for the next Council meeting and will begin discussions on the composition of the new single Commission and on the election of the President and Vice Presidents.

They will also agree on the date - in the first half of 1966 - when instruments of ratification of the Treaty on the merger of the institutions are to be deposited, on condition that the required parliamentary ratifications have been obtained and agreement has been reached on the composition and the presidency and vice-presidency of the Commission.



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PRIME MINISTER

Development of the European Community

1. At the European Council it was agreed that the Dooge Committee should be wound up, and that there should now be consultations between governments before the substantive discussion at the Milan European Council in June.

2. We have, therefore, secured our objective here, as we have been able to do with the commitments to Budget discipline and to completion of the internal market, the change in direction in the CAP, and the Fontainebleau settlement itself.

3. We have succeeded in this way because we have - as Delors acknowledged at a Community meeting the other day - clearer ideas than most about where we want the Community to go. By pursuing these consistently, in bilateral contacts and at Brussels, we have been able successfully to influence the Community's agenda. We



need now to consider the next phase, for the run-up and follow-up to the Milan June Summit.

THE FRENCH AND GERMANS

4. It is my strong impression that the German Government want to try to work out something to which we can agree. In the end they took a sensible line at Brussels on an inter-governmental conference. We have urged them to aim for practical results from the June European Council. I hope this will have an increasing effect on their approach; but it is likely to remain irritatingly erratic.

5. We have both been wondering about Mitterrand's promised "surprise" initiative. Mitterrand's staff tell us that he has not yet decided what precise form this will take. The options include proposals for an extension of majority voting (ie a reduction in the number of Treaty articles requiring unanimity); completion of the internal market; an agreement on political cooperation; some largely cosmetic measures vis-a-vis the European Parliament; and increased cooperation in areas not covered by the Treaties - health, education, culture, internal security, etc. Mitterrand may propose that some more formal status might be given to the European Council. The French talk as



though they would be prepared to consider putting some or all of the above in a new agreement or Treaty. But as you know, I do not believe that the French would really be prepared to go much further than we can on most of the issues - whether majority voting, the powers of the Parliament or the formalisation of political cooperation. Mitterrand may calculate that he can rely on us to block anything which gives the French real difficulty.

6. Many of the ideas being aired by the French, including a new Treaty, appeal, at least emotionally, to others of the original Six. They know, however, that anything which amended the existing Treaties could not be implemented without our agreement. This reinforces the desire which all of them, particularly Dumas, have expressed to work out something which we could agree.

7. Against this characteristically uncertain background, our handling of these issues will be very important to the outcome in June and thereafter. Much will depend on the Franco-German relationship. Despite the public display of cooperation, the French have been finding as much difficulty as we have in their dealings with the Germans, and for the same reasons. They will persevere: not only because they share our interest in keeping the Germans firmly tied into the west European system, but



also because it suits them well to claim that Franco-German cooperation is the key to the development of the Community.

8. Things have, however, moved on a good deal from earlier doctrinal arguments. No one now seriously suggests that a federalist structure is appropriate for a Community of Twelve. Some far-fetched ideas have, of course, been put forward. But thanks to Malcolm Rifkind's efforts in the Dooge Committee and our bilateral contacts with other member governments, we have been able to let much of the air out of this balloon and to get matters moving in a direction we could accept.

9. There is an element of theatre in Mitterrand's approach. But both he and Kohl want something to come of all this because of their genuine concern about the functioning of the enlarged Community. As we saw round the Council table in Brussels, neither is yet fully committed to the idea of a conference, though Mitterrand may still be leaning in that direction.

10. This is something we would prefer to avoid. It would quickly turn into a propaganda exercise with others trying to demonstrate how "European" they can be when it comes to the rhetoric, though not in other more practical



respects. We should insist that these questions should be decided on by the heads of government themselves. We have found some response in both Paris and Bonn to our proposal that the Milan European Council should itself proceed to take decisions on a package of measures which would be seen as a practical development of what has so far been achieved. If further decisions are required thereafter, they should be taken at the December European Council. We should continue to press this line - particularly with the Italians, who may be persuaded that it is likely to be the best way for them to be able to take some of the credit for the next steps.

POLITICAL COOPERATION

11. Our success with this approach will depend to a large extent on the shape of the package which is on offer at Milan. What might this be? There is no doubt that Kohl attaches great importance to the formalisation of political cooperation in a new agreement. The French will certainly go along with that. We have always played a leading role in political cooperation and can accept a formal agreement, though it must of course be drafted in such a way as not to tie our hands if we should need to take action ourselves. Others will accept this and the French certainly would not agree to anything that would tie their hands. I suggest that we should aim to produce



our own draft agreement on political cooperation. First, because I believe this would make a very considerable impression on Chancellor Kohl. Second, because whoever puts forward their own ideas will be able to oblige the others to work on that basis. I am in the process of considering a possible text, which I will in due course pass on to you. If you are content with it, you might give it privately to Chancellor Kohl at Chequers. This would help to head him in the direction we want. Depending on his reactions, our draft might subsequently be passed privately to one or two of the other heads of government. It should then form a central part of whatever agreement is reached in June. This would be an intergovernmental agreement. There is no question of bringing political cooperation under the Treaty of Rome, though there should of course be a preambular reference to the cooperation of the participating countries on other matters under the Treaty.

INTERNAL MARKET

12. We must also work between now and the Milan Summit to advance our objectives on the internal market. As you know, Delors is strongly committed to progress. To give effect to the Brussels European Council conclusions on the need to achieve a common market by 1992, he will be producing a detailed timetable for action, probably in



June. This will no doubt include some proposals which could give us difficulty. We must therefore aim to influence the Commission's thinking at the drafting stage by steering them towards what is politically feasible over the next few years, and away from issues like tax approximation which are not going to be agreed. Since the Dutch and ourselves will have to carry this forward during our Presidencies next year, the Commission should have an interest in producing a programme with which we can broadly agree. But we will still need to be ready once the Commission's programme has been produced to counter with our own ideas for priorities and targets, covering not only our traditional concerns, but also the outcome of further work on our long term objectives in the internal market, on which Norman Tebbit is currently engaged. We will need to pull these elements together in our own timetable. Another priority will be to carry forward your initiative on deregulation, both in bilateral contacts with our Community partners over the next few months, and at the Milan European Council itself. I shall raise these issues with Delors at Chevening on 13 May. You will want to use your talk with Kohl to get a firmer German commitment to real progress on the internal market.



DECISION TAKING

13. There will be concern on the part of the others also to reach agreement on decision taking. Here too we should aim to achieve something positive which would not only protect but advance our interests. We share the genuine concern that is felt throughout the Community about the inordinate delays, with the attendant risks of undesirable trade-offs, which could arise in a Community of Twelve if the Council continues to seek consensus on every issue, however trivial. There is also a recognition, whatever others like at times to pretend, that no member state is really prepared to see itself voted down on a vitally important matter. The French idea is that the number of articles of the Treaty requiring unanimity might be reduced, though - and this is the crucial point - this would always be subject to the right to invoke a vital national interest. This idea would have much greater attractions for us if it were accompanied by formalisation of the Luxembourg compromise in the Treaty, since we would be getting the Luxembourg Compromise not just maintained but reinforced. By giving us juridical certainty, this would be a major prize. I am sceptical, however, as to whether it could be secured, even though the Dutch and Germans have said they might be prepared to consider it.



14. We should bear in mind, however, the possibility of using the abstention procedure (article 148 of the Treaty) to get progress on the internal market. If the European Council were to lay down that certain specific steps, eg in relation to the liberalisation of transport policy, insurance, etc, were to be taken by given dates as part of the process of completing the common market by 1992, the heads of government might consider stipulating that, since the objective had been set, Member States should not make use of the unanimity rule to impede implementation of what the European Council had already decided. This would be a political understanding, along the lines of the suggestion which you made in Dublin. It would not require Treaty amendment, and would leave the juridical position intact.

15. On decision taking generally, I consider that we should continue to take the following line:

(a) The European Council should not have to deal with matters that can be disposed of by the Council of Ministers. The Italian Presidency insisted that enlargement issues had to be resolved in the Foreign Affairs Council. Their success shows that this can be done. The European Council must be left free to



debate the larger issues and give a strategic direction to the Community's activities.

(b) The Council of Ministers must not deal with matters that can be dealt with by COREPER. Just as the Council can be directed by the European Council, so COREPER should be directed by the Council of Ministers. We must get other Member States to give the kind of delegated authority to their permanent representatives which we are prepared to give to ours.

(c) We should aim for a statement from the European Council that there can be more majority voting within the existing provisions of the Treaty on non-sensitive issues. It must remain for the Presidency to decide when votes are to be taken. Once again there would be no need for Treaty amendment. Use can also be made of the abstention procedure. It must remain open to any Member State to insist on discussion continuing until unanimous agreement is reached when very important national interests genuinely are at stake. To prevent abuse any Member State insisting that the discussion continue should be required through a special



procedure of the Council formally to explain why very important interests are in fact at stake. The purpose of this is to prevent the sort of abuses we have witnessed from the Greeks and Danes, and in those cases to oblige foreign ministers to account for the actions of their colleagues in the specialist councils. Once again we might consider giving Kohl a paper setting out what conclusions of the European Council we could accept on decision taking. I shall be letting you have a draft that we can consider.

THE EUROPEAN PARLIAMENT

16. Others will continue to profess enthusiasm for giving some greater power to the Parliament. The French, however, do not want any real increase in the Parliament's powers. We should point out that the expansion of the Parliament's budgetary powers in 1975, far from reducing, has markedly increased friction with the Council. What is required is for the Parliament to make a more effective contribution through the use of the powers it already enjoys. This should be done by improvement and extension of the conciliation procedure, and in particular by more effective consultation between the Council and the Parliament at earlier stages of the



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consideration of proposals. The Parliament should make more use of its right to put forward proposals for consideration by the Council. Once again this can be done within the existing Treaty powers; there can be no question of extending these. I suspect that when other governments come to consider - as we have done - the realities of this subject, our line will gather increasing support.

17. Some of the others will start by wanting to go further than this, or at least by pretending that they want to do so. I think it most important that we should not sit back and let them come to us with their ideas. We should use the period ahead to steer them in the direction we want. I believe that we shall best be able to do this by retaining the initiative, and developing our own ideas on the lines I have described.

Foreign and Commonwealth Office

15 April 1985



Foreign and Commonwealth Office

London SW1A 2AH

10 May, 1985

CDP
15/5

Dear Charles,

Chancellor Kohl's Visit to Chequers, 18 May

You asked for the briefing for Chancellor Kohl's visit to Chequers in advance of the Prime Minister's meeting with the Secretary of State on Monday 13 May. I attach briefs on East/West relations, Arms control and disarmament, the European Fighter Aircraft, a note on the internal scene in the FRG, and a summary programme. The brief on the European Fighter Aircraft may well need updating in the light of the Five Nation Ministerial meeting in Rome on 16 May.

I shall send on 15 May any necessary revisions - together with notes for the Prime Minister's speech at dinner, personality notes, and Sir Julian Bullard's scene setting telegram, which will reflect the results of the 12 May Land elections in North Rhine Westphalia.

I have covered in a separate ^{*}letter the EC considerations, and Eureka.

Our main objectives on non-EC issues are:

- to prevent a German sell-out to the French on EFA;
- to prevent German restlessness on SDI from leading them to any precipitate action that weakens the US negotiating hand at Geneva.

Kohl will wish also to review the outcome of the Economic Summit (I assume the Prime Minister will not wish to be briefed specifically on this). With the 12 May election results still fresh he might want a short discussion of the political scene in the two countries.

We recommend that the Prime Minister aim to cover these non-EC issues before and over lunch. This will leave the formal sessions clear for the EC issues which require more intensive discussion and more reference to papers. The Foreign Secretary looks forward to joining those discussions before dinner.

* To follow a.m.
13 May

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I am copying this letter to Richard Hatfield (Cabinet Office).

Yours ever,

Colin Budd

(C R Budd)
Private Secretary

C D Powell Esq
10 Downing Street

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CHANCELLOR KOHL'S VISIT TO CHEQUERS: 18 MAY

Notes for the Prime Minister's speech at dinner

- Welcome Chancellor Kohl back to Chequers.

- Chancellor and I see each other frequently as should all good neighbours. Last occasion was Bonn Economic Summit. Congratulations on handling and organisation of Summit. Particularly appropriate that it should have been in Bonn in 40th anniversary year when we commemorate reconciliation between our two countries. Simplistic criticism of Economic Summits now seems fashionable. Also misplaced - large measure of agreement on all substantive issues. How easy life would be if a couple of days discussion could solve the world's problems.

- Chancellor last at Chequers a year ago this month. We issued declaration reviewing Anglo-German relations. Extraordinary range of contacts and cooperation.
- Chancellor then delivered his memorable Konrad Adenauer memorial lecture in Oxford.
- This May we commemorate 30 years of diplomatic relations. Anniversary marked in an imaginative way last Thursday by Baron von Wechmar (dinner attended by many former Ambassadors and the Foreign Secretary).

- 30th year of relations has been exceptionally rewarding.
- 'Exercise Lionheart' among highlights (110,000 British troops working alongside German forces). Vivid demonstration of our close cooperation in security.
- Joint efforts in wider European defence co-operation, complementary role in North Atlantic Alliance.

- Also fruitful year for our partnership within EC. Fontainebleau a landmark. Historic conclusion of enlargement negotiations.
- Focussed today on special opportunity this year to strengthen the Community both externally and internally. Britain and Germany share resolve to achieve even more united and dynamic Europe.



- Our partnership based on shared values, which underpin mutual confidence and trust.
- Often hear comment in Britain and Germany about traditional values espoused by Chancellor and by myself. We share pride in the traditions of individual freedom, diligence and enterprise. By safeguarding these traditions we can better face the challenges of the future.
- Chancellor and I may need an interpreter, but here we speak same language.
- Sir Anthony Eden's message to Chancellor Adenauer on establishment of diplomatic relations concluded that "Much remains to be done before the security of the free world is finally assured, but I know that we shall travel on this road together".
- Still have far to go. But who could then have foreseen how close our partnership would become?
- Wish to pay tribute to achievements of thirty years of friendship and co-operation.



majority voting. If, however, we can get Chancellor Kohl on board for our ideas we have a better prospect of persuading the French to accept our approach, Mitterrand wants any conference to produce results before his elections next year and is beginning to realise that this might not happen. He told the Prime Minister in Bonn that he had some sympathy for our approach. If Kohl remained keen on a conference, however, Mitterrand would also support one.

Luxembourg Compromise : Recent Quotes

Germany: In the Agriculture Council on 4 May Herr Kiechle said that Germany would "avail itself of all possibilities open to it to defend its national interests". On 13 May he said that "the FRG would not be prepared to be outvoted". In a letter to M. Delors on 13 May, Chancellor Kohl wrote: "For us, this issue of price reduction is an essential question in which very important interests in our agriculture, and thus our economy, are at stake, and with regard to which we would find it very difficult to allow ourselves to be overruled in the Council." On 16 May, Kiechle invoked the Luxembourg Compromise in the Council (details to follow).

MO 26/11/9

PRIME MINISTER

EUROPEAN FIGHTER AIRCRAFT

/ I enclose a report which I have sent to OD colleagues of the EFA meeting in Rome.

2. I thought I would write to you personally to set out the background as I see it should you have occasion to discuss this matter with Chancellor Kohl.

3. You will remember that when I first became involved in the discussions on the next generation of fighter aircraft there were two national alternatives - British and French - and both industries were trying to entice other European nations to join their schemes. There are indisputable cost-sharing benefits from such collaboration. Germany had refused to join British Aerospace as they would not make the political commitment to us and they were being actively pursued by the French in furtherance of the Franco-German axis.

4. My interests were twofold. First - if collaboration could be achieved in a way compatible with our defence and industrial interests - it would enable us to secure a single European project which could provide the basis of scale that is available as a matter of course to the Americans. Second - if this failed - it would mean that we could try and ensure that the Germans and others came our way if both projects proceeded.

5. The two objectives are totally linked. The more the Germans are involved with me in trying to persuade the French to accept adequate specifications the more they know that we have genuinely tried to find a common solution. It is most important that Dr Woerner -

the German Defence Minister - is persuaded that at all stages we have played a straight game in the pursuit of a European objective to which he is personally totally committed. As long as he believes this, if the EFA negotiations breakdown because France will not accept the standards that both Germany and ourselves believe to be necessary then the better the chance that Germany will stay with us in any new configuration. Chancellor Kohl may well want to give the French every chance (Dr Woerner told me privately that Chancellor Kohl had sent him last week to see President Mitterand to urge him to take a more sensible view) and Dr Woerner must be able to assure him of the efforts that we have made.

6. In this sense, last night was particularly gratifying as I was often able to let Dr Woerner argue my case for me. At no stage was there any divergence between our position and that of Dr Woerner. It is a principal part of my strategy to keep it that way.

7. As you might expect the Italians and Spanish played relatively little part although all the indications are that at the moment the Italians are firmly behind our position. I doubt if the Spanish will take other than a political decision to join whoever offers them the best industrial package.

8. I would therefore be grateful if, in discussing this with Chancellor Kohl, you felt able to stress the efforts we are making to secure a genuinely European solution. While we cannot sacrifice in the name of collaboration the standards of the Air Force requirements upon which our defence interests depend, as we all face the same threat it should be possible to agree on a common response. You could express disappointment that whilst the industries of Germany, Italy and Spain have all worked closely with our industry to produce common advice to Ministers, French industry still seems unwilling to make this genuinely collaborative effort and appears more interested in getting the rest of us to join their prototype ACX proposals. This would be tantamount to acknowledging French

supremacy in this field, which we do not accept and will not do. We do not believe that the Federal Republic want that either.

9. I hope you would feel able not to speculate on what happens if EFA collapses. I am anxious not to create the impression that we would welcome this or are striving to bring it about. Such an impression can only help the French.

10. We made only limited progress in Rome but it was the French who were very much out on a limb. In that we advanced it was in our direction. I cannot pretend that I yet see a way through but I have no doubt that our tactics to date are standing up.

[Handwritten signature]

(Drafted by the Defence Secretary of
Ministry of Defence signed in his absence)
17th May 1985



VISIT BY CHANCELLOR KOHL TO CHEQUERS: 18 MAY 1985

EUROPEAN FIGHTER AIRCRAFT

Our Objective

- (a) To encourage Chancellor Kohl's support for a collaborative programme which meets the military requirement and provides a fair share of benefits among the partner nations.
- (b) To prevent a German 'sell-out' to the French.

Arguments

- (a) EFA crucial test of European ability to collaborate effectively on defence equipment.
- (b) Essential to build plane capable of meeting the Soviet threat.
- (c) "No winners and no losers" only sensible basis for progress.
- (d) British industry (British Aerospace avionics industry, and particularly Rolls Royce) must be allowed to make full contribution.
- (e) Attach importance to sufficiently powerful new EFA engine to permit other applications (including re-engining of Tornado) and effective competition with General Electric. EFA should be capable of taking RB 199 as interim engine.



Tactical Arguments

(a) Great political and industrial benefits of European collaboration in programme of EFA magnitude.

His Objectives

(a) To secure rapid agreement on EFA to meet German in service target date of 1995.

(b) To avoid antagonising the French, perhaps at cost of agreeing to dominant French position on design/work shares and/or of reduced performance.

(c) To sustain German aerospace industry developed during Tornado programme.

Our Response

(a) Have similar in service date requirement.

(b) Studies have shown that 9.5 tonnes would not meet threat. EFA must make sense in cost and performance terms. Implications for mass of aircraft and minimum engine thrust.

(c) Attach importance to meeting RAF requirements. Believe 9.75 tonnes aircraft with space for national equipment and suitably powerful engine would do this. UK and FRG have similar requirement.

(d) EFA important to future of British Aerospace industry too; underlines need for "no winners, no losers".



Background

1. Defence Ministers of the UK, France, the FRG, Italy and Spain commissioned feasibility study based on 9.5 tonnes Basic Mass Empty in July 1984.
2. Initial industrial studies showed that 9.5 tonnes would not meet requirement identified in European Staff Target. Ministers agreed in November to allow margin of \pm 250 kilos.
3. Separate proposals received in February from French and other 4 industries. Evaluation by UK officials of the proposals show that 9.75 tonnes aircraft, providing space for additional national equipment, would just meet the minimum RAF requirement. French design would not.
4. At industrial, military and procurement staff level, German approach very close to our own. (But in case of hybrid engine approach, would favour use of GE 404, not RB 199).
5. Dr Woerner has told Mr Heseltine he was unwilling to accept French dominance in programme; but he also warned that at Kohl level more political considerations could well determine outcome.
6. Indications that, if prospect of in service date of 1995 for EFA seems unattainable, Germans would opt for American F18.
7. Defence Ministers of 5 nations meet in Rome on 16 May to take stock with view to launching project definition stage.

Foreign and Commonwealth Office

Defence Department

10 May 1985



VISIT BY CHANCELLOR KOHL TO CHEQUERS: 18-19 MAY 1985

European Technological Cooperation/EUREKA

Our Objectives

1. To persuade the Germans that better exploitation of R and D rather than more coordination is the key to European success in technology, and that the way to achieve this lies in establishing a true European market for high technology goods, comparable with the United States, to allow companies fully to exploit the opportunities.
2. To minimise the scope for French wedge-driving between the UK and FRG.

Arguments to Use

- a) UK and German views on what might usefully be done are close.
- b) EUREKA provides opportunity to work out ways of bridging the technological gap between Europe and the US and Japan. Eager to discuss ideas with FRG, France and others to this end.
- c) Believe what is needed is better exploitation of research through opening up European market for high technology goods and services.
- d) This means pressing on with breaking down barriers to trade within Europe, and progress on standards.
- e) But also working on some new ideas. Thinking in terms of a warranty for high technology products and services which would guarantee uninhibited access to all European markets.
- f) Suggest establishment of high level group of officials to discuss this and other ideas, open to those who want to join it.

/g)



g) Do not favour a new Agency or new bodies which would duplicate existing ones, eg in the European Community and the European Space Agency.

Their Objectives

The Germans share our general view on the need for pragmatism in improving European technological base. However Herr Genscher has been directly associated with the launch of the EUREKA proposal and they appear to be prepared to go along to some extent with French proposals for more cooperation in identified sectors, including some publicly funded R&D.

Press Line

A useful exchange on means of improving European technological performance, which revealed a close identity of view.



Background

1. The French have long been concerned about Europe's technological performance. SDI catalysed this concern into EUREKA, which is not however in their eyes a direct response to SDI.

2. The French at first proposed a new Agency with joint industrial and public funding. But their ideas were little thought out and have since evolved in the light of discussions in the margins of the WEU Ministerial (12/13 April), the Foreign Affairs Council (29/30 April), the Bonn Summit and a series of bilateral meetings. While recognising that a fully fledged new Agency is probably unobtainable, the French still hope to generate a new European research effort in those technologies (eg lasers, new materials, artificial intelligence and space) where the Americans might otherwise get even further ahead as a result of SDI, and in other areas too - eg biotechnology.

3. Like the UK, the Germans oppose a new Agency or reliance mainly on public funding. They share our views on the importance of dismantling trade barriers and see EUREKA as an opportunity to create a variable geometry project within the enlarged Community. They favour the establishment of a high level group to discuss the next steps - probably, however, at State Secretary level.

4. The French, in particular President Mitterrand, have portrayed the UK as hostile to EUREKA, in contrast to the FRG. The Germans are under political pressures following the Bonn Summit to see merit in the French proposals.

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5. OD(E) on 14 May agreed that the UK should take the opportunity of EUREKA to stress the importance of opening up the internal market. At the same time we should be positive towards EUREKA both by expressing a willingness to take part in a high level group and by developing and advocating a proposal for a warranty for new high technology products and services to guarantee their uninhibited access to all European markets. It was also agreed that SDI and EUREKA should be kept separate.

Foreign and Commonwealth Office and Cabinet Office
16 May 1985

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VISIT BY CHANCELLOR KOHL TO CHEQUERS : 18-19 MAY 1985

ARMS CONTROL AND DISARMAMENT (INCLUDING SDI)

Our Objectives

1. To reassure Germans that our views coincide on main issues; to counter any German restlessness over Geneva/SDI; to stress need to break log-jam in CW negotiations.

Arguments to Use

2. Geneva : First round confirmed talks long and hard. Alliance patience vital in coming months. Must maintain convergence of European views keep differences with US in perspective, without ducking key issues.

3. Must not let Russians get away with propaganda. West should keep initiative in talks as a whole. In particular, need to convince US that logic of offensive/defensive relationship calls for agreement at Geneva on scope of permitted space/defence activities over next decade.

4. INF : Soviet position on START/INF predictable : no great impact so far from propaganda. Russians likely to come up with new position before long with Dutch decision in mind. Alliance position right. But should be ready to produce more specific ideas at proper moment - possibly in Autumn round with Gorbachev visit to UN and summit in prospect.

5. SDI participation : Should identify national opportunities first; be realistic and pragmatic about possibility of concerted European response; not let wider SDI implications be obscured. Remain sceptical US will allow fair share in research. Premature to decide forum for any joint action.

6. CW : Main outstanding problems are non-production and challenge inspection. Recognise German problems, but removal of non-production issue would help isolate Russians.



Tactical Arguments

7. SDI : Competing loyalties to US, France etc can be resolved on basis of firm criteria for managing Alliance debate :
- prudent hedge against Soviet efforts
 - Camp David four points
 - avoid prejudging political decisions beyond research

Must keep in close touch over French attitudes to participation and related issues.

8. ABM/SALT compliance : Debate in Washington intensifying. Will need to work hard to ensure arguments in favour of respecting both treaties are fully heard. Europeans should get their views across.

9. CW : Unlike its FRG counterpart, UK industry content with our non-production proposals.

His Objective

10. To discuss SDI, particularly from the angle of a possible joint European response on participation; to keep INF in forefront of Alliance discussion.

Your Response

11. SDI participation must take account of practical realities, particularly if French attitude cools. Must avoid any precipitate action that weakens US negotiating hand in Geneva or helps Soviet wedge-driving.

Press Line

12. We had an opportunity at the Bonn Economic Summit to touch on arms control issues. Today we reviewed the Alliance's position in more detail. As ever, British and German views were very close across the whole spectrum of these issues. We confirmed our support for US efforts to achieve progress at Geneva. And we brought each other up to date on our respective consideration of the US invitation to participate in SDI research.

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VISIT BY CHANCELLOR KOHL TO CHEQUERS: 18-19 MAY 1985

EAST/WEST RELATIONS

Our Objectives

To exchange assessments of the current state of East/West relations and likely Soviet tactics under their new leadership.

Arguments to Use

- a) Soviet Foreign Policy has sharper presentation and quicker reaction than for a number of years. But Vienna meetings confirmed again no change in substance.
- b) Gorbachev's public initiatives on arms control have been pure propaganda so far. But presentation much improved.
- c) Soviet tactics are clearly aimed to divide Europeans from US - strong criticism of US, attacks on US sincerity at Geneva. Very evident at Gromyko/Howe meeting in Vienna.
- d) Soviet public line likely to remain unchanged for some time to try to put pressure on US in Geneva talks.
- e) But Gorbachev's first priority is Soviet economy. No question of easy solutions. No indication of fundamental reform.
- f) Made clear to Russians our rejection of tendentious points in Gorbachev's 8 May speech.
- g) Importance of keeping channels open to Russians and East Europeans. Gromyko to UK later this year, although dates still under discussion. FRG plans for contacts with Russians?

His Objectives

To give German impressions following President Reagan's visit to FRG.

Your Response

a) Alliance unity important. West must take every opportunity to reaffirm our will for dialogue but also to show Soviet Union wedge-driving is not succeeding. Long-term, realistic approach.

Press Line

Useful exchange of views on general East/West issues in light of recent contacts with Soviet Union and East European countries.

Background

1. The Prime Minister last met Chancellor Kohl at the Bonn Economic Summit, 2-4 May.
2. Cooler atmosphere in US/Soviet relations evident in 40th Anniversary commemorations. President Reagan's Strasbourg speech of 8 May proposed 4-point plan to reduce military tension but in context of fairly strong criticisms of communism and Soviet Union.
3. Gorbachev's 8 May speech in Moscow sharply critical of US policy. Allegations that "US leadership" had inspired German revanchism. Nod in direction of wish for return to detente but context was a heavily distorted view of history, Soviet achievements and harsh attack on past and present Western policy. Mr Renton made clear our views to Soviet Ambassador on 10 May.



and
4. Useful meeting between Sir G Howe/Gromyko in Vienna on 15 May. Covered Geneva talks, especially SDI, CSCE and human rights, Berlin air corridors and bilateral relations. Atmosphere good; no particular frostiness post expulsions, though no response on Gromyko visit to London. A lot of wedge-driving, with focus on SDI.



CHANCELLOR KOHL'S VISIT TO CHEQUERS: 18 MAY 1985

BACKGROUND BRIEF AND BASIC STATISTICS ON FRG

UK/FRG Relations

1. Our efforts to raise the profile of our contribution to German security and remove lingering doubts about our commitment to Europe, are bearing fruit. Since the January bilateral summit the chief problems have resulted from the Germans' unusually tenacious pursuit of interests within the EC over vehicle exhaust emission controls, linkage between ORD and enlargement and now agricultural price-fixing (cereals). Major issues up to and beyond Milan will include SDI and Eureka, EFA, and the "Future of Europe". The next full bilateral summit will be in Bonn probably in November.

FRG Internal

2. The SPD's overwhelming victory in the North Rhine Westphalia (NRW) election on 12 May have shaken the CDU. It suffered heavily from abstentions and defections to the SPD. This followed a similar result in Saarland in March. Diepgen won well in Berlin but conditions here are different from the FRG.

3. These results reflect the relative strengths (Diepgen in Berlin, Rau in NRW and Lafontaine in Saarland) of local candidates, and local economic conditions (above average unemployment in NRW and Saarland). The usual mid-term disenchantment with the Government of the day has also played a role. However the Chancellor and his Government have a serious image problem. Kohl is criticised rightly for failure to impose direction and discipline. The Coalition has been buffeted by a series of mishaps (Kiessling, Flick, Silesian expellees rally, Bitburg) which can be blamed on Kohl's deficiencies. Kohl may reshuffle his Cabinet eventually to revitalise its image. But this could let in Strauss. Defence Minister Woerner continues to look vulnerable. Kohl's own position is still relatively secure, despite some grumblings in the ranks.

4. The Coalition has suffered from the unpopularity of its austerity policies. Unemployment remains high with little prospect of any substantial reduction this year. The CDU will seek to portray itself as the party best placed to tackle unemployment in the run-up to the 1987 elections. Kohl will come under pressure to make at least presentational changes.

5. Unemployment aside, the Coalition has a good story to tell on the economy. The budget deficit has been reduced, growth this year may marginally exceed last year's 2.5%, monetary targets have been met and inflation has been lower than at any time in 15 years. Export performance continues to be impressive and investment trends (outside construction) are encouraging.

6. It remains likely that the present Coalition will win the 1987 elections not least because of the recovery of the FDP. But the SPD which seemed out of the hunt six months ago is back in business.



On Rau (Minister President in NRW) they may have a plausible, moderate Chancellor candidate. But the left/right struggle is unresolved and at federal level they do not yet look like a plausible alternative government.

7. SPD Chairman Brandt's crack a few months ago that the Greens had passed their peak looks close to the mark, at least in the industrial parts of Germany.

GERMANY : BASIC STATISTICS



Germany

UK

Population (millions)	1983	61.4	56.4
	1984 (P)	61.2	56.4
Labour Force (millions)	1983	27.5	26.7
	1984	27.4	27.1
Unemployed (per cent of civilian Labour Force)	1983	9.1	12.3
	1984	9.1	12.6
Gross Domestic Product (billion dollars)	1983	653.1	455.1
	1984 (P)	616.1	426.3
GDP per capita (dollars)	1983	10636	8070
	1984 (P)	10070	7559
Annual Rate of Growth of GDP (%)	1983	1.3	2.5
	1984	2.5	2.0
Annual Rate of Growth of Industrial Production (%)	1983	0.6	3.0
	1984	4	0.8
Consumer Prices (%)	1983	3.3	4.6
	1984	2.4	5.0
Balance of Payments on Current Account (million dollars)	1983	4000	3419
	1984 (P)	6270	68
<u>Defence</u>			
Spending (% of GDP)	1979	4.1	4.6
	1982	4.1	5.3
Total Armed Forces (thousands)	1979	495.0	322.9
	1983	495.0	320.6
	1984	495.0	325.9

Trade

United Kingdom exports to FRG (£m)	1983	6068.7	
	1984	7458.0	
United Kingdom imports from FRG (£m)	1983	9665.7	
	1984	11090.2	

Sources

OECD : Quarterly Labour Force Statistics
OECD : Main Economic Indicators
DTI : Overseas Trade Statistics of the UK
IISS : Military Balance 84/85

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RUHFUS, Dr Jurgen

State Secretary (ie PUS) responsible for Economic Affairs, Federal German Foreign Office.

Born 1930. After university studies in law and management, he joined the Ministry of Foreign Affairs in 1955. Served in Geneva, Dakar and Athens. He was a highly successful Ambassador to Kenya from 1970-73. After 3 years as Assistant Under-Secretary in charge of European and politico/military affairs in the Foreign Office in Bonn, he was transferred to the Federal Chancellor's Office in 1976. From 1976-79 he was Chancellor Schmidt's principal foreign policy adviser. His attitude to Britain, always friendly, became warmer still in the immediate aftermath of the Mogadishu hijacking episode in which he was very closely involved. 1980-83 a much liked FRG Ambassador in London.

In 1984, on his return to Bonn, he spent a few months as Deputy Secretary responsible for relations with the Third World before being promoted to his present appointment, where his major preoccupation is the European Community.

Tall, relaxed but sharp. Married with three children. Excellent English.

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TELTSCHIK, Horst

Deputy Secretary in the Federal Chancellery responsible for foreign policy.

X
Born 1940 in the Sudetenland (now Czechoslovakia). Evacuated at the end of the war to Bavaria where he grew up. Military service, 1960-62. Studied political science at the Free University, Berlin, 1962-67. Assistant Lecturer at the University, 1968-70. From 1970-72 he was Head of the Foreign and Security Policy Department in CDU Headquarters in Bonn where he was one of those advocating a less hard line CDU approach to Brandt's Ostpolitik. In 1972, he transferred to Mainz to become personal assistant to Kohl who was then Minister-President of Rhineland Palatinate. In 1976, when Kohl moved to Bonn to take over as leader of the CDU/CSU Parliamentary Party in the Bundestag, he brought Teltschik back with him as his Parliamentary Private Secretary. During this time Teltschik became Kohl's chief speech writer and close adviser on foreign policy and accompanied him on official visits abroad, including London in 1976 and 1982. He moved with Kohl into the Chancellery in October 1982.

X
Teltschik has prospered from his association with Kohl. Although his appointment to the Federal Chancellery was something of a surprise, given his relative youth and inexperience, he has made a major and widely recognised success of it. He is one of the small group close to the Chancellor which comprise his 'kitchen Cabinet' and under him the influence of the Federal Chancellery over foreign affairs has grown considerably - at the expense of Genscher and the Auswärtiges Amt. Teltschik has taken a particularly close interest in the formulation of European and EC policy. He appears to share Kohl's idealistic enthusiasm for 'European Union' and hopes that the special relationship with France will act as a motor for European integration. He has been inclined in the past to question our commitment to Europe but may be increasingly convinced.

Speaks reasonable English. Married with two children.

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DRAFT AGREEMENT
ON POLITICAL COOPERATION

THE MEMBER STATES OF THE EUROPEAN COMMUNITIES,

MINDFUL of the many agreements which already bind them,
in particular, the Treaties establishing the European
Communities,

HAVING DECIDED to confirm and strengthen the commitments
which they have undertaken in European Political
Cooperation so as to provide an effective basis for their
cooperation in joint action in world affairs,

HAVE AGREED AS FOLLOWS:

ARTICLE 1

The Member States undertake to work for the following
objectives, for which purpose they have established
European Political Cooperation:

- To ensure by means of regular consultations and

exchanges of information a broad identity of views on the main problems of international relations;

- To ensure that their combined influence is deployed in the most effective way through the concertation of their views, the alignment of their positions and, particularly, joint action.

ARTICLE 2

1. Member States shall consult on all important questions of Foreign Policy, including the political and economic aspects of security.
2. Such consultations shall take place before the Member States adopt final positions on major Foreign Policy questions of interest to them all.
3. Each Member State shall take full account of the position of its partners and give due weight to the desirability of the adoption and implementation of common European positions when working out national positions and taking national action.

4. The Member States shall make every effort to avoid action damaging to their joint reputation as a coherent force in international relations.

ARTICLE 3

The work of Political Cooperation shall be carried out under the general guidance of the European Council. The structure is set out in Annexes I and II, which may be amended by unanimous agreement.

ARTICLE 4

1. The Member States shall ensure maximum coherence between the external policies of the Communities and the policies agreed in European Political Cooperation. In particular, unless in any particular case all Member States agree to the contrary, the Commission shall be invited to all meetings of Political Cooperation.

2. The Member States shall ensure that the European Parliament is informed of developments in Political Cooperation.

3. The provisions of this agreement shall not affect the provisions of the treaties establishing the European Communities.

ARTICLE 5

1. In organs of international organisations, and at major international conferences, in which all Member States participate, they shall work for common positions in accordance with Article 2.

2. In particular a Member State shall not support a resolution in such organs or conferences which directly criticises or might gravely affect the vital interests of another Member State. The Member States shall also work to avoid a situation where one or more of them co-sponsor a resolution which another or others of them vote against.

3. In organs of international organisations and at major international conferences in which not all Member States participate, those which do participate shall take into account common positions adopted in Political Cooperation.

ARTICLE 6

1. With the aim of making their joint diplomacy effective, the Member States shall ensure that the necessary contacts are established with third countries and regional groupings of interest to them.

ARTICLE 7

1. The Member States shall work to intensify cooperation between their missions in third countries and accredited to international organisations. The aim of such cooperation shall be to enable missions to perform their functions more effectively and economically through mutual assistance, shared facilities, shared information and joint action.

2. In particular Member States shall work both to take advantage of local opportunities, and to establish general schemes, for strengthened cooperation in third countries on the matters listed in Annex III. That annex may be amended by unanimous agreement.

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ARTICLE 8

1. The Member States agree that closer European cooperation on security matters is an essential component of the effort to develop Europe's external political identity. The aim of such cooperation shall be to maximise the contribution which Member States can make to the objectives of the organisations specifically established to guarantee Western security, in particular the North Atlantic Treaty Organisation and Western European Union.

2. Member States shall also work to enhance their contribution to the objectives of the Alliance and other relevant bodies by strengthened cooperation in the design, development and production of military equipment and systems.

3. The Member States are determined to maintain the technological and industrial conditions necessary for their security. They shall work both individually and, as appropriate, through their joint institutions for this end.

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ARTICLE 9

Signature and Entry into Force

(The usual final clauses on signature entry into force etc would be added.)

ANNEX I: THE STRUCTURE OF POLITICAL COOPERATION

(a) The Presidency of Political Cooperation shall be held by the same Member State as holds the Presidency of the Communities.

(b) The Presidency shall be responsible for the day to day management of Political Cooperation. It shall in particular be responsible for the timetable and other arrangements for meetings, and for the preparation of and circulation of drafts, agendas, conclusions and other necessary texts.

(c) The Foreign Ministers shall discuss Political Cooperation matters formally at least four times per year, and informally as appropriate. These discussions may take place on the same occasion as meetings of Ministers in the Community framework.

(d) The Political Directors shall meet monthly in the Political Committee in order to maintain the continuity of Political Cooperation and to prepare discussions among Ministers.

(e) The Working Groups of experts from the Foreign Ministries of Member States, whether of a continuing nature or ad hoc to deal with particular problems, shall meet as directed by the Political Committee.

(f) The Political Committee or, if necessary, a Ministerial meeting, shall convene within 48 hours at the request of three Member States.

(g) The Presidency shall be assisted by a small Secretariat based in the main place of work of the Community. The office space and services shall be provided by arrangement with the Council Secretariat. The Head of the Secretariat shall be appointed by agreement among the Member States.

(h) The functions of the Secretariat, which shall work under the direction of the Presidency, will include those set out in Annex II. The size and functions of the Secretariat may be amended by unanimous agreement.

(i) Formal Political Cooperation meetings at Ministerial level may take place in the capital of the Presidency. At official level they will normally take place at the places of work of the Communities unless otherwise agreed.

We ought to
break to change
for dinner.

Agree a short press
line?

ANNEX II: FUNCTIONS OF THE POLITICAL COOPERATIONSECRETARIAT

The Secretariat shall:

- (a) Advise the Presidency as necessary on the conduct of Political Cooperation, in particular on maintaining coherence between the external policies of the Community and the policies agreed in European Political Cooperation;
- (b) provide support for Political Cooperation meetings - including as necessary the preparation and circulation of texts, keeping of records and preparation of conclusions;
- (c) assist the Presidency in the preparation of texts to be issued on behalf of the Member States including replies to European Parliament questions;
- (d) keep a Political Cooperation archive;
- (e) prepare, and update as necessary, a full codification of Political Cooperation rules and practices.

We've resisted this
for 3 years.

By the Germans want
to contribute nationally,
well and good. But
there's no reason for
the Community to get
involved. It's a new area
of Community aid.

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ANNEX III: AREAS FOR COOPERATION AMONG THE MISSIONS OF
MEMBER STATES IN THIRD COUNTRIES

1. Exchange of Political and Economic Information.
2. Shared Information on Administrative Problems.
3. Mutual Assistance and Sharing of Organisational Infrastructure.
4. Cooperation on Communications.
5. Exchange of Information and Joint Planning for Local Crises.
6. Cooperation on local Security Measures.
7. Cooperation on Consular Matters.
8. Cooperation on Health Matters.
9. Cooperation on Information Matters.
10. Cooperation on Cultural Matters.
11. Cooperation on Development Aid Matters.

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We had a long ~~detailed~~
and very friendly & constructive
talk in which we concentrated
on the future of the European
Community, which will be the
main subject at the June
European Council in Milan.

Some ^{interesting} ideas were ~~expressed~~
^{(especially on the strengthening of political cooperation,}
put forward, and will be followed
up in discussions between officials
We ~~felt~~ felt that ~~on~~ ~~most~~ of
~~the~~ issues discussed our views
^{in general} were very close ~~and~~

We also covered East/West
relations, Arms Control, the Strategic
Defence Initiative, the European Flight
Aircraft and ~~general questions of economic~~
economic & social problems in both our
countries.



Draft European Council Conclusions: Decision-Taking

The European Council agreed that, if real progress is to be made towards European unity, the Community must improve its capacity to take decisions.

The European Council concluded that the following measures, which could be implemented without delay, would make a radical improvement to the Community's ability to take decisions of practical benefit to its citizens. It called on all the institutions of the Community to co-operate in taking these steps.

Each year the European Council will adopt a brief statement of the Community's major priorities for action with, where appropriate, specific timings and targets as the basis for the Council's activities over the following twelve months.

In the enlarged Community more use will need to be made of the majority voting provisions of the Treaties.

Where the Treaties require decisions to be taken by unanimity, Member States agree to make greater use of abstention as provided for in Article 148(3) of the EC Treaty. In particular, where the Council agrees that a specific objective should be achieved, it may also be agreed that Member States will endeavour not to impede progress by invoking the unanimity rule in relation to the measures necessary for its implementation.

If the Community machinery is to work effectively, decisions must be taken at the most appropriate level. The Council of Ministers must not abdicate its responsibilities by referring issues to the European Council, which must be left free to play its strategic role of giving direction and political impetus to the Community. Similarly, the Council must ensure that issues are resolved to the fullest extent possible in COREPER.



Member Governments can make a significant contribution to effective decision-taking by giving their Ministers and representatives a mandate to negotiate which not only reflects their national interest in the issue but takes account of the need to make the Community itself work more successfully.

To help the Community achieve its priority objectives the Council invites the Commission to weed out each year any proposals which are hopelessly blocked. At the same time, the Commission should draw the Council's attention to cases where progress has been unnecessarily delayed.



European Parliament

These measures can only bring about more rapid and effective decision-taking if all the institutions of the Community are fully associated with them. If the views of the European electorate are to be fully represented in the Community, the European Parliament should make a greater contribution to the Community legislation and decision-making. Accordingly, the European Council reached the following conclusions:

- The Parliament should be invited to make more use of its right to put forward proposals for Community legislation, where appropriate in close consultation with the Commission, so that in such cases the joint view of the European Parliament and Commission can be set out before the Council begins to consider proposals for legislation.

- The Council and European Parliament should reach early agreement on the improvement and extension of the conciliation procedure, with a view to more effective consultation between the Council and the Parliament at an earlier stage in the consideration of proposals.

- For its part, the Council will undertake to follow up resolutions of the Parliament or, if the Parliament wishes, explain its reasons for not doing so.



LUXEMBOURG COMPROMISE



Where, in relation to a proposal, a Member State considers that very important national interests are at stake, discussion should continue until unanimous agreement is reached. In order to prevent abuse of this procedure, any member of the Council who insists that discussion should continue should be required to explain fully and formally, through a special procedure of the Council, why his government considers such interests to be at stake.

COMPLETION OF THE COMMON MARKET

Objective

By 1990, to create the integrated common market which the founders of the Community foresaw as the basis for growth in the Community economy and the international competitiveness of its enterprises.

Method

Community to concentrate efforts on proposals which make a real and immediate contribution to opening up the common market. Proposals with less direct impact to be given lower priority.

MAIN TARGETS FOR ACTION BY 1990

1. Action on obstacles to free movement of goods within EC

(i) Frontier procedures

- full implementation of single customs document by 1988.
- progress in computerising customs and VAT procedures with a view to interlinking member states' and Commission systems so that formalities at intra-EC frontiers can be minimised.
- remaining frontier procedures to be streamlined so that traffic is not avoidably delayed (save for spot checks).

(ii) Free movement of goods

- the model directive on health and safety standards to be applied to specific products, facilitated by mutual recognition of member states' national standards and of their testing and certification procedures.
- adopting common or compatible standards for major new technologies (such as information technology, telecommunications and advanced manufacturing techniques) so as to open up public purchasing and satisfy major-user requirements.
- adoption of Community patent and trade mark rules.
- more attention to be devoted to ensuring compliance with Article 30 EEC.

2. Free market in financial services

- adoption of genuinely liberal non-life insurance services directive.
- liberalisation of financial services market including housing credit, shares, unit trusts and commodity futures and options.
- progressive abolition of exchange controls and other restrictions on capital movements in accordance with 1960 directive.
- scrutiny of differences in the administrative treatment given to domestic and to locally-established businesses.

3. Full freedom of establishment

- pharmacists, architects (both 1985).
- remaining professions, including accountants and engineers,

4. Liberalised, freely competitive transport market

- abolition of road haulage quotas by 1990.
- elimination of principal distortions of competition by 1988 (full application of state aids rules, including transparency, to all transport modes; harmonised basis for coverage of road costs following adoption of first ANTS directive in 1986).
- removal of barriers to provision of shipping services by 1987 (liberalisation of cabotage; elimination of flag discrimination in trades with third countries).
- greater competition in civil aviation between member states by 1986 (particularly on route access, capacity and pricing); removal of capacity controls and limitations on access by Community carriers by 1990.
- international coach services fully liberalised by 1988.

Making European business more competitive, both within the Community and on world markets

- measures to promote labour market mobility and flexibility.
- more attention to be devoted to ensuring compliance with Community rules on state aids.
- opening up public purchasing, especially in the new technologies.
- positive action to reduce burdens on small businesses.
- improving the climate for direct collaboration between European firms in particular in R and D.



Foreign and Commonwealth Office

London SW1A 2AH

9 May 1985

CPD 9/5

Dear Charles,

Chancellor Kohl's Visit to Chequers, 18 May

Thank you for your letter of 29 April.

The Foreign Secretary advises that Lady Young need not escort Chancellor Kohl to Chequers. The armoured Rolls really only has room for two in the back (ie no place for an interpreter). Sir Geoffrey Howe thinks that Kohl may well wish to talk to Baron von Wechmar en route to Chequers, and that he alone should escort him. This would be normal practice.

On departure, I recommend that we follow the usual pattern whereby Kohl is accompanied by one of his party, with the Escort Officer, Group Captain Robert Thomson, riding in front. The Special Representative of the Secretary of State (Sir Donald Logan) will bid farewell at RAF Benson.

Yours ever,

Le Appleyard

(L V Appleyard)
Private Secretary

C D Powell Esq
10 Downing Street

Germany: Chancellor Kohl's Visits Pt 9

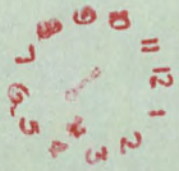
UNITED STATES GOVERNMENT

POSTAGE WILL BE PAID BY ADDRESSEE



For Charles

For Charles
Kohl



- 9 MAY 1985

lte SM



10 DOWNING STREET

From the Private Secretary

8 May 1985

**PRIME MINISTER'S MEETING WITH
CHANCELLOR KOHL AT CHEQUERS
ON 18 MAY**

I have seen a copy of Bonn telegram No. 466. We have noted the Chancellor's dietary preferences.

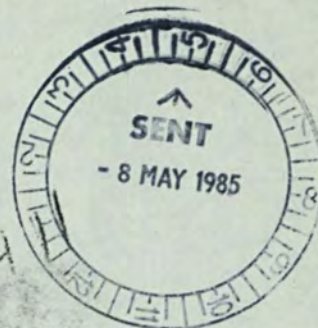
As regards the Agenda, I am sure the Prime Minister would be more than content to discuss the Strategic Defence Initiative and Eureka. I think it is also very likely that she will wish to raise the European Fighter Aircraft. It would be as well to assume this and to warn the Germans.

C D POWELL

Colin Budd Esq
Foreign and Commonwealth Office

CONFIDENTIAL

IMMEDIATE
ADVANCE COPY



14
Ps

Ps/ LADY YOUNG

Ps/ PUS

Hdy WED

Hdy ECOS(1)

Hdy PROTOCOL D

Hdy NEWS D

M DEEKE THOMAS

M JENKINS

Ps / NO 10 DOWNING ST

CB BONN/FCO 011/08

OO FCO

GRS 310

CONFIDENTIAL

FM BONN 081340Z MAY 85

TO IMMEDIATE FCO

TELEGRAM NUMBER 466 OF 08 MAY

MY TELNO 451: CHANCELLOR KOHL'S VISIT TO CHEQUERS

1. WE UNDERSTAND FEDERAL CHANCELLERY HAVE BEEN IN DIRECT TOUCH WITH NO. 10, AND HAVE AGREED THAT KOHL WILL NOW RETURN TO BONN AFTER DINNER ON 18 MAY, DEPARTING AT 22.45.

2. REPLIES TO ADMINISTRATIVE POINTS IN YOUR TELNO 232 ARE AS FOLLOWS:

A) PARTICIPATION. CONFIRMED THAT IT WILL BE THREE-A-SIDE THROUGHOUT (PLUS INTERPRETERS).

B) NO SECURITY PERSONNEL OR PRIVATE OFFICE STAFF WILL ACCOMPANY TO CHEQUERS (THERE WILL BE SECURITY PERSONNEL REMAINING WITH THE AIRCRAFT). THERE IS NO NEED FOR ANY SPECIAL TELEPHONE LINK BETWEEN CHEQUERS AND BONN.

C) DIETARY RESTRICTIONS. KOHL WOULD PREFER THE MENU NOT REPEAT NOT

- C) DIETARY RESTRICTIONS. KOHL WOULD PREFER THE MENU NOT REPEAT NOT TO INCLUDE GAME OR LAMB (ESPECIALLY NOT WITH MINT SAUCE).
- D) PRESS. KOHL DOES NOT WANT A PRESS CONFERENCE OR BRIEFING. THE ONLY PRESS INVOLVEMENT SHOULD BE THE PHOTOCALL AT 12.30.
3. AGENDA. KOHL SEES THE PRIMARY PURPOSE OF THE MEETING AS PREPARING FOR THE MILAN COUNCIL, AND DISCUSSING WHAT SHOULD BE DONE FOLLOWING THE COMPLETION OF THE DOOGE REPORT. HE ASSUMES THE PRIME MINISTER WILL WISH TO DEVOTE SOME TIME TO THE WORKINGS OF THE INTERNAL MARKET. HE WOULD ALSO LIKE TO REVIEW THE OUTCOME OF THE ECONOMIC SUMMIT.
4. KOHL ALSO WISHES TO DISCUSS SDI, PARTICULARLY FROM THE ANGLE OF EUROPEAN COOPERATION, AND EUREKA.
5. YOU MAY WISH TO CONSIDER WITH THE MOD WHETHER, DEPENDING ON THE OUTCOME OF THE VARIOUS MEETINGS BETWEEN NOW AN THEN, THE PRIME MINISTER MIGHT USE THE OCCASION OF THE VISIT TO PUT ACROSS OUR POINT OF VIEW ON THE EUROPEAN FIGHTER AIRCRAFT. IF SO, WE SHOULD WARN THE GERMANS IN ADVANCE.
6. MY WIFE AND I ACCEPT WITH PLEASURE THE INVITATION TO DINNER AT CHEQUERS ON 18 MAY.

BULLARD

NNNN

1771 MEX

67/ 607

67/ 1771 MEX

67

ADVANCE COPY
IMMEDIATE

CONFIDENTIAL

file

45
Ry



10 DOWNING STREET

From the Private Secretary

8 May, 1985

CHANCELLOR KOHL'S VISIT TO CHEQUERS

We have now heard from Chancellor Kohl's Office that he will have to leave Chequers after dinner on Saturday, 18 May in order to fulfil engagements early on the Sunday in the Federal Republic. The intention is now to finish the dinner at around 10.00 pm and for the Chancellor to depart immediately thereafter, taking off from RAF Benson between 1030 - 1045 pm.

I should be grateful if revised arrangements could be made on this basis.

(C D Powell)

C Budd Esq
Foreign and Commonwealth Office

Ry

c.c. Mrs. Goodchild

PRIME MINISTER

Chancellor Kohl's Visit to Chequers

Chancellor Kohl's office have been in touch to say that he now has to be back in Germany early on Sunday morning. If you would not object, he would prefer to leave after dinner on Saturday. Since the guests have been invited for 7.15, it should be possible for him to leave Chequers at 10 p.m. and from RAF Benson at 1030-1045.

This would save quite a lot of trouble.

Agree to this revised arrangement?

Yes *ms*

CDP

7 May, 1985.

MEETING WITH CHANCELLOR KOHL, ON

18 MAY, 1985

Your meeting with Chancellor Kohl on 18 May will be crucial in determining whether we succeed in channelling the debate on the future of the European Community over the next months towards sensible conclusions with which we can live. On the one hand we have to convince the Euro-enthusiasts if not the Euro-fanatics that Britain is prepared to move ahead. On the other we don't want to succumb to the drivel about European union.

You have already agreed some general guidelines for the discussions between now and the June European Council. These are in brief:

- priority for completing the internal market;
- no more powers for the European Parliament;
- more use of majority voting where the Treaty already provides for it, subject to the Luxembourg compromise being formalised;
- formalising the existing arrangements for political co-operation.

We have already got the Community moving on the internal market. Political co-operation is the other area where we can give a lead and conduct the debate on our terms without giving away anything essential.

The attached paper sets out a draft agreement on political co-operation with the suggestion that you launch ^{it} on Chancellor Kohl on 18 May as a substantial British initiative.

/The draft

CONFIDENTIAL

The draft agreement would be an agreement between Member States and therefore not part of the Community law. It simply codifies and sets down in formal language what we are already doing. It does not restrict our national independence of action.

In short, it is dressing up mutton to look like lamb. But it will appeal to the Germans because it is an agreement and should be a "step forward" The experts will not be convinced. But I think you could sell it politically to Chancellor Kohl and to wider Community opinion as a British initiative, stake out a strong position, and make it impossible for others to put us in the dock as being a backmarker on European union.

If you agree, we would get it translated into German so that you could give it to him at Chequers and base your discussion with him on it. We would subsequently use it with other Member States.

The Attorney General has been through the text and is content with it, ⁱⁿ particular that it does not in any way give the Community competence over our foreign policy.

Agree to launch this initiative on 18 May?

C.D.P.

Yes. it seems fairly reasonable
not

3 May, 1985



JWE

WR
(57)

10 DOWNING STREET

From the Private Secretary

29 April 1985

CHANCELLOR KOHL'S VISIT TO CHEQUERS

I can now confirm that the Prime Minister would be grateful if Lady Young could meet the Chancellor at RAF Benson on arrival. You will wish to consider whether she should also escort him as far as Chequers.

We also need to consider whether he should be escorted back to RAF Benson on 19 May.

You may like to inform the Germans that the Prime Minister would be happy to put up Chancellor Kohl, Herr Ruhfus and Herr Teltschik at Chequers for the night. We are booking rooms at the nearby Bernard Arms for Herr Neuer and Herr Weber.

(C D Powell)

C Budd Esq
Foreign and Commonwealth Office

WR

PRIME MINISTER

CHANCELLOR KOHL'S VISIT TO CHEQUERS, 18 MAY

It would be helpful to have your wishes on:

- (a) meeting Herr Kohl at RAF Benson on arrival.
The Foreign Secretary thinks that Lady Young should meet him. She is the Minister responsible for bilateral relations with West Germany; and lives near by.

Agree?

Yes mk

- (b) accommodation at Chequers. Miss Thomas thinks that everyone can be fitted in (please see attached note). But you may think this is a bit too much. Some of us can easily go to a hotel.

Agree to Miss Thomas' room allocation?

or

Prefer three or four to go to a hotel?

CDP

Hen Weber -

Ph. Lederer to go to hotel.

26 April 1985



10 DOWNING STREET

From the Private Secretary

26 April 1985

CHANCELLOR KOHL'S VISIT TO CHEQUERS

Thank you for your letter of 20 April about Chancellor Kohl's visit to Chequers.

I am fairly certain that the Prime Minister would be very grateful if Lady Young were to meet Chancellor Kohl. But I shall confirm that she herself does not wish to do so.

My impression from talking to Horst Teltschik is that the Chancellor wishes to focus very much on the future development of the Community. But I agree that it would be wise to be prepared for discussion also of East/West relations, arms control and SDI, particularly when the Foreign Secretary is present.

The working lunch on 18 May and the breakfast on 19 May will be three a side; and the talks three a side throughout.

I agree there should be no press conference (although there will be a photocall on arrival). We shall agree a line for the press, for spokesmen on both sides to use.

I am not grateful to you for arranging for Herr Lederer to interpret.

(CHARLES POWELL)

C R Budd Esq
Foreign and Commonwealth Office



Foreign and Commonwealth Office

London SW1A 2AH

26 April 1985

Dear Charles,

Chancellor Kohl's Visit to Chequers: 18 May

Thank you for your letter of 19 April outlining the arrangements for participation for the Prime Minister's meeting with Chancellor Kohl. The Foreign Secretary and Lady Howe look forward to attending the dinner of 18 May.

The last small-scale bilateral meeting in February 1983 (when Kohl and Genscher came), the Prime Minister herself greeted Kohl on arrival. If the Prime Minister does not wish to do this again (and the Foreign Secretary does not think it necessary), we propose that Lady Young, who lives nearby and is Minister of State responsible for bilateral relations with the FRG, should greet Chancellor Kohl. We shall, as usual, arrange for a Special Representative to accompany Kohl on departure.

I should like to clarify some other points, so that we can commission briefing and confirm the administrative arrangements.

Agenda

The principal focus will naturally be on the future development of the Community and our own ideas on formalising the arrangements for political cooperation. But Sir Geoffrey recommends in addition some discussion of developments in East/West and transatlantic relations, and of arms control and disarmament: Kohl has just made a statement about SDI to the Bundestag. As always he is likely to want to compare notes on the political scene. (His visit falls one week after important Land elections in North Rhine Westphalis.

Programme

/ I attach an outline programme. Does the Prime Minister envisage breakfast on 20 May tête-à-tête, or a working breakfast attended by the officials? Who will attend the working lunch on 19 May?

Will the Prime Minister want the talks to be three a side throughout?

We have arranged for Mr Lederer to act as interpreter.

/ ...



Publicity

Sir Geoffrey doubts whether this meeting would lend itself to a press conference. The Department will be in touch with Ian Murray about announcing the visit.

I am sending a copy of this letter to David Williamson at the Cabinet Office.

Yours ever,

Colin Budd

(C R Budd)
Private Secretary

C D Powell Esq
10 Downing Street

OUTLINE PROGRAMME FOR CHANCELLOR KOHL'S VISIT TO CHEQUERS: 18-19 MAY

18 May

1150 Chancellor Kohl arrives RAF Benson
Leave RAF Benson by car
1230 Arrive Chequers
1300 Working lunch
1430-1600 Talks
1600-1630 Tea
1630-1800 Talks
1915 for 1945 Dinner

19 May

0830 Breakfast
0930 Chancellor Kohl departs Chequers

Germany Pt 9

KSHS visits

BERLIN
12
1
2
3
4

26 APR 1985

18 May

17:00

Chancellor Kohl arrives RAF Hansholt

Leave RAF Hansholt by car

15:00

Active Chancellors

12:00

Working lunch

12:30-15:00

Talks

16:00-18:30

tea

18:30-19:00

Talks

19:15 for 1945

Dinner

19 May

09:00

Working breakfast

00:30

Chancellor Kohl departs Garmisch



10 DOWNING STREET

From the Private Secretary

25 April 1985

Dear Len,

**PRIME MINISTER'S MEETING WITH CHANCELLOR KOHL, 18 MAY:
PREPARATION**

Horst Telteschik from the Federal Chancellery in Bonn telephoned this evening to talk about preparations for the Prime Minister's meeting with Chancellor Kohl on 18 May to discuss the future of the Community.

Telteschik's suggestion was that there should be some no-holds-barred discussion between officials to prepare the ground. He had in mind inviting British officials to visit Bonn on 9 or 10 May for this purpose. On the German side, apart from him, there would be Ruhfus, Starbreit, Thiele and Hartmann. He suggested that our side should include someone from No. 10 and officials from the Cabinet Office and Foreign Office. He wondered whether it would be appropriate for Mr. Rifkind to take part, given Ruhfus's participation. I explained to him, for the nth time, the difference in responsibilities between the No. 10 Private Office and the Federal Chancellery and said that I would reflect upon the proposal for official level talks.

The result of my reflection is that I do not think it would be a good idea to agree to the German request. I do not believe that anyone will be in a position authoritatively to represent the Prime Minister's views to German officials on 9 or 10 May and that it would be much better to leave her to do this with the Chancellor himself on 18 May. I am confident that this will be the Prime Minister's view, too. I propose, therefore, to contact Telteschik again shortly and explain this to him, subject to any views which you may have. At the same time, I am likely to come across Telteschik in the margins of the Bonn Economic Summit and might give him one or two purely personal pointers to the aspects which I think the Prime Minister will want to focus upon in her discussions with Chancellor Kohl.

I should be grateful for your reaction to this.

11BF.

I am copying this letter to David Williamson in the Cabinet Office.

Yours sincerely
C. D. Powell

(C. D. POWELL)

Len Appleyard, Esq.,
Foreign and Commonwealth Office.



Mo file
202 ABH

10 DOWNING STREET

From the Private Secretary

19 April 1985

PRIME MINISTER'S MEETING WITH CHANCELLOR KOHL AT
CHEQUERS ON 18/19 MAY

The Prime Minister has considered the question of participation in this meeting in the light of two particular considerations:

- (i) her belief that the smaller the circle involved, the more likely it is that progress can be made. The German side seem to reciprocate this view.
- (ii) The Chancellor's apparent determination not to involve Herr Genscher in this meeting. The Federal Chancellery have notified us that Herr Kohl will be accompanied by Herr Ruhfus, Herr Teltschik and Herr Neuer (plus an interpreter).

The Prime Minister intends to keep our side as small: since Herr Neuer will not participate in the talks, she will be supported by David Williamson and me.

The Prime Minister will give a dinner on the evening of 18 May for Chancellor Kohl. She very much hopes that the Foreign and Commonwealth Secretary and Lady Howe will be able to attend and that the Foreign and Commonwealth Secretary will have an opportunity for a full talk with Chancellor Kohl and her in the course of the evening, to take forward the discussions which she and Herr Kohl will have begun that afternoon and conclude the following morning.

There is also the question of receiving Herr Kohl on arrival. You will wish to consider who should greet him. The German Ambassador will no doubt wish to escort the Chancellor to Chequers. But it must be made clear to him that he is not invited to participate in the talks, although he will be invited to dinner.

/I shall

A handwritten signature, likely of the Private Secretary, in the bottom right corner.

CONFIDENTIAL AND PERSONAL

- 2 -

I shall be in touch in due course about arrangements for a briefing meeting.

CHARLES POWELL

Len Appleyard, Esq.,
Foreign and Commonwealth Office.

6 "Kohl's visits" + UK



MR. POWELL

Anglo/German Summit at Chequers
18/19 May

I had a work with Miss Thomas regarding the bedrooms at Chequers and she suggested the following arrangements:

- Herr Kohl Rooms 3/4 plus bathroom
- Herr Ruhfus Room 2 plus bathroom
- Herr Teltschik Room 7 (Greenhill) with bathroom opposite
- Mr. Powell Room 1 (bathroom at end of corridor)
- Herr Neuer Room 8 (Pink) with bathroom
- Mr. Williamson Prison Room
- (Herr Weber Astley Room)
- (Mr. Lederer Astley Room)

(The two Astley Rooms are divided by a curtain)

Additional accomodation has been provisionally booked by GHF at the Bernard Arms.

Sue Goodchild
—

19 April 1985



10 DOWNING STREET

Spoken
AD.

From the Private Secretary

Prime Minister

Dinner for Herr Kohl

You agreed the attached list,
adding Antony Adand & Herr Kaindl.

As it has come out, there are now
very few German speakers: only Herr
Kaindl, Professor Carr & me. There will of
course be interpreters present, so it may
not matter.

Content to leave it as it is?

or
Prefer to substitute Julian Bullard
for Carla, & Nicko Henderson
for Mrs. Williamson?

C D P

PRIME MINISTER

①

Chancellor Kohl's Visit

Two further points on this:

(i) Kohl does not wish to bring Genscher and won't, unless you include Sir Geoffrey Howe. Can we plan on the assumption of no Foreign Ministers? *Yes*

(ii) I think it would be all right to have Sir Geoffrey Howe for the dinner even if Herr Genscher was not there. The guest list for dinner would then read:-

1. Chancellor Kohl
2. Herr Rufhus
3. Herr Teltschik
4. Herr Neuer
5. Prime Minister
6. Mr Thatcher
- (7. Mr Rifkind)
- (8. Mrs Rifkind)
9. Mr Williamson
10. Mrs Williamson
11. Mr Powell
12. Mrs Powell
13. German Ambassador
14. German Ambassador's wife
15. *Sir Antony Acland*
15. ~~Sir Julian Bullard~~
16. ~~Lady Bullard~~
16. *Herr Kaindl*
17. Professor Carr
18. Mrs Carr
19. Lord Carrington } *Julian Lady.*
20. Lady Carrington }
21. Sir Geoffrey Howe
22. Lady Howe.

←
←

Yes
ms

Agree?

C.D.P.

PRIME MINISTER

CHANCELLOR KOHL'S VISIT TO CHEQUERS

He is coming to Chequers on 18/19 May for a discussion on the future of the European Community. Decisions are needed on:

- (a) participation in the meeting
- (b) guest list for dinner.

Participation

¹
Kohl's office confirm that he will be accompanied by ²Rufhus and ³⁺two officials from the Chancellery, but is not intending to bring Genscher. (There are signs, however, that Genscher and the Foreign and Commonwealth Secretary are joining forces to get themselves in.)

Kohl's office also say that he emphatically does not want the German Ambassador in London to be present. This would mean that you would have to omit Julian Bullard.

Agree that our team should be Malcolm Rifkind, David Williamson and me? ^{MT 5/6 Jordan 6 (8 Jordanians)}

Dinner

Mrs. Kohl will not be accompanying the Chancellor. Including wives would nonetheless make for a lighter occasion after a pretty heavy diet of Kohl: but that would put pressure on numbers. Twenty-two is the maximum on the long table: but you could add more if it was made a buffet, up to thirty-six I think.

/As to the

1 don't like a buffet for dinner

don't come.

9-10

11-12

- Provided Geoffrey & Hans-Dietrich

(1)

As to the guest list, I assume you will want to invite the participants. I think that you would also have to invite the German Ambassador and Julian Bullard*. Other candidates would be the Foreign and Commonwealth Secretary, Professor Laqueur* (Director of the Institute of Contemporary History), Nicko Henderson* (as a former Ambassador in Bonn), Denis Healey*, John Gummer, Professor Raymond Carr* (St. Antony's is the centre for German studies in the UK), Lord Carrington (if in the UK). Those marked with an asterisk speak German.

If you wanted to select in addition one or two more MPs, the following are German speakers:

Mrs. Lynda Chalker
John Butcher
Tom Normanton
Hugh Dykes
Sir Brandon Rhys Williams

from the Government Benches and Geoffrey Robinson from the Labour Benches.

If you wanted to widen it further others who might be included, some with a German connection or German speaking, are:

The Prince and Princess Michael of Kent
Lord and Lady Gowrie
Lord Chancellor
A. J. P. Taylor
The Defence Secretary and Mrs. Heseltine
Professor Michael Howard
The Hon. William Waldegrave (given Kohl's environmental interest).

(I have deliberately not included the Trevor-Ropers: after the business about the Hitler diaries, I think it is probably best not to).

/So:

*If the Houses
of Commons
are coming
we must drop
the Carrs.*

So:

(a) agree to include wives/husbands?

OR

(b) prefer men only?

(c) agree names above (please tick)?

(d) agree black tie?

C.D.P.

CHARLES POWELL

17 April 1985



→ Mr. Powell
✓ (No. 10)

CP Budd
16/4

PRIME MINISTER'S DINNER FOR CHANCELLOR KOHL,
18 MAY

German-Speaking MP's

Conservative

Mrs Lynda Chalker

John Butcher

Tom Normanton

Hugh Dykes

Sir Brandon Rhys Williams

Labour

Rt Hon Denis Healey

Geoffrey Robinson

MR POWELL

BILATERALS

I am afraid I am in great difficulties with Autumn dates which is entirely my fault as I should have thought of it earlier. I can offer you the following but please discuss before submitting to FCO.

Monday 28 October (PM has to attend a reception at the Imperial War Museum).

Wednesday 30 October (free all day).

Friday 8 November (but I was keeping this day free for the Lord Mayor's Banquet which is on Monday, 11th).

Monday 18 November (but PM is giving a Reception here for the Fellows of the Royal Society).

Wednesday 20 November (but PM has half-committed herself to looking in at a late reception in the Speaker's House for the St Margaret's, Westminster Appeal).

Monday 25 November (but this is the date for the next General Reception).

Wednesday 5 December (free all day but the European Council will have taken place in Luxembourg on 2/3 December).

Friday 13 December (free all day if she does not go to Sellafield).

Monday 16 December (free all day).

Wednesday 18 December (free all day).

CAROLINE

10 April 1985



Foreign and Commonwealth Office

London SW1A 2AH

3 April 1985

Dear Charles,

Forthcoming Bilateral Summits with the FRG, France and Italy

Thank you for your letters of 25 and 29 January and 21 March about arrangements for the Prime Minister's meeting with Chancellor Kohl at Chequers on 18 May. Perhaps in this reply it would be useful to touch on the next Anglo-French and Anglo-Italian Summits.

The FRG

In view of pressure on diaries and the Prime Minister's visit to Bonn at the beginning of May for the Economic Summit, the Foreign Secretary suggests that she should regard her meeting with Chancellor Kohl on 18 May as the Anglo-German Spring Summit. He does not think it would be necessary to invite Kohl and a larger team (Foreign, Defence, Finance and Trade Ministers) to visit the UK on another date. We might aim for such a full-scale Summit on schedule in October/November in Bonn if the Germans are ready to regard the Chancellor's meeting as substituting for our normal Spring Summit. Our informal soundings of German officials suggest that Kohl is likely to be content with this. If the Prime Minister agrees, our Embassy in Bonn could now confirm these arrangements to the Federal Chancellery. The German Foreign Office anticipate that Genscher will wish to accompany Kohl. This is obviously for the Germans to raise, but if they do so I presume the Prime Minister would wish us to agree.

Prime Minister's Dinner for Chancellor Kohl

I enclose a draft guest list as requested in your letter of 21 March. I assume that the Prime Minister envisages a total of 24 people. The guest list is based on suggestions by Sir Julian Bullard and assumes that Genscher will attend. The Prime Minister herself suggested Lord Dacre but we wonder if he is in fact the best choice from the academic world. Lord Dacre was in the headlines here and in Germany last year after he 'authenticated' the Hitler Diaries which appeared in 'Stern' and which were quickly proved to be a forgery. The Foreign Secretary suggests instead Professor Walter Laqueur, whose recent book 'Germany today' has been respectfully reviewed in Germany. Professor Laqueur is one of the greatest living authorities on German and Russo-German history.

/France



France

It will also be necessary soon to decide on a date in the autumn for the next Anglo-French bilateral summit, and to put this to the French. As the year draws to a close President Mitterrand will be heavily preoccupied with preparations for the 1986 legislative elections. He is likely to favour a date in October or early November rather than later. Are you in a position to propose dates?

Italy

The last Summit held in London was October 1984. We have told the Italians we do not want a full-scale Bilateral Summit before the Summer break. It is now for them to propose dates in the autumn.

*Yours ever,
Colin Budd*

(C R Budd)
Private Secretary

C D Powell Esq
10 Downing Street

DRAFT GUEST LIST

Dinner to be held in honour of:

The Chancellor of the Federal Republic of Germany at Chequers

on: 18 May 1985

at (time):

Host: The Prime Minister

Deptl Contact: Mr G Anderson

Tel No: 233 3648

Total No of Guests proposed: 24

	Name, Title and Decorations	Address	Reason for Invitation
1	The Prime Minister		Host
2	H.E. Dr Helmut Kohl		Guest of Honour
3	Herr Horst)		Officials accompanying Dr Kohl
4	Teltschik) Dr Walter Neuer)		
5	The Rt Hon Sir Geoffrey Howe QC MP & Lady Howe		Secretary of State for Foreign and Commonwealth Affairs
7	Herr Hans-Dietrich Genscher		FRG Foreign Minister who may accompany Dr Kohl
8	Sir Edwin Bramall GCB and Lady Bramall	Rm 6173, MOD Main Building Whitehall London SW1 Tel.218 2116	Chief of Defence Staff. Visited Germany in March.
10	*Prof. Walter Laqueur & *Mrs Laqueur	4 Devonshire St London W1 Tel. 636 7247	Director of the Institute of Contemporary History. Expert on German and Russo-German history.

	Name, Title and Decorations	Address	Reason for Invitation
12	* Mr Timothy Garton Ash <i>and Mrs Garton Ash</i>	The Times	Specialist in German affairs
14	Herr Guenter Steffens and Frau Steffens	German Chamber of Industry & Commerce Suffolk St London SW1 Tel. 930 7251	Chairman
16	Sir Austin Pearce CBE and Lady Pearch	British Aerospace 100 Pall Mall London SW1 Tel. 930 1020	Chairman of British Aerospace which is UK partner in Airbus consortium
18	H.E. Baron Ruediger Von Wechmar and Baroness Von Wechmar	Embassy of the Federal Republic of Germany 22 Belgrave Square London SW1 Tel. 235 5033	FRG Ambassador
20	*H.E. Sir Julian Bullard KCMG and *Lady Bullard	c/o FCO	HM Ambassador at Bonn
22	*Sir Norman Statham KCMG and *Lady Statham	11 Underhill Park Rd Reigate Surrey Tel. 074 44514	Special Representative for Anglo-German Relations
24	*Mr Charles Powell	No. 10 Downing St	Private Secretary. Has served in Bonn.

* British guest who speaks German

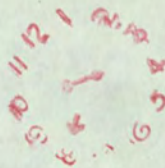
RESERVES

FULL NAME, TITLE AND DECORATIONS	Mr Anderson, tel no. 233 3648 of WED, FCO can provide details of addresses and phone numbers as required	REASON FOR INVITATION
<p>1. The Rt Hon Neil Kinnock MP and Mrs Kinnock</p> <p>2. The Rt Hon David Owen MP and Mrs Owen</p> <p>3. The Rt Hon David Steel MP and Mrs Steel</p> <p>4. Mr John Selwyn Gummer MP and Mrs Gummer</p> <p>5. Sir Antony Acland KCMG, KCVO</p> <p><u>OR</u> Mr Derek Thomas CMG and Mrs Thomas</p> <p>6. Professor Michael Howard, CBE</p> <p>7. Professor Raymond Carr and Mrs Carr</p>		<p>Led group of conservative MPs at CDU/Conservatives meeting in Bonn last November</p> <p>PUS, FCO</p> <p>Political Director, FCO</p> <p>Professor of modern history, Oriel College, Oxford. Specialist on international, including German affairs.</p> <p>St Antony's College, Oxford, the centre of German studies in Britain.</p>

<p>8. Professor Hedley Bull and Mrs Bull</p>	<p>Professor of International Relations, Balliol College, Oxford. Specialist in international affairs (especially arms control)</p>
<p>9. Lord Weidenfeld</p>	<p>Has wide and numerous contacts in FRG.</p>
<p>10. Sir Alec Guinness CBE and Lady Guinness</p>	<p>Awarded Shakespeare 1985 (given annually by SVS foundation in Hamburg to a British citizen for contribution to European cultural heritage).</p>
<p>11. Dr Barbara Beck and Mr Ian Coulter</p>	<p>Secretary General of Anglo-German Foundation for the Study of Industrial Society (promotes Anglo German cooperation and seminars). Husband, Mr Coulter is a journalist.</p>

GERMANY: Chancellor Kohl's visit : A9

- 3 APR 1985





FILE

cc Sue Goodchild
Rog

10 DOWNING STREET

From the Private Secretary

21 March, 1985

bf //

You will recall the Prime Minister has invited Chancellor Kohl to Chequers in May. She would like careful thought to be given to a guest list for dinner at Chequers during his stay which would include a number of people with particular connections to Germany and German speakers. One suggestion she herself has is Lord Dacre. I should be grateful if you could ask the Department to let me have the names of twelve couples.

(C D Powell)

C Budd, Esq.,
Foreign and Commonwealth Office

su

PRIME MINISTER

Chancellor Kohl's Visit in May

The Chancellor's Office have rung to say that Mrs. Kohl will sadly not be able to come to Chequers for the 18/19 May weekend. The Chancellor would nonetheless like to stick to the 18/19 May dates.

He will bring Rufhus, Teltschik and an interpreter.

CDP

mt

29 January, 1985.



10 DOWNING STREET

From the Private Secretary

29 January, 1985.

Chancellor Kohl's Visit in May

We have now heard that Frau Kohl will not be able to come to Chequers with Chancellor Kohl in May. My request for thought to be given to a separate programme for her becomes redundant.

C.D. Powell

C.R. Budd, Esq.,
Foreign and Commonwealth Office.



JRZ AA11
berc

10 DOWNING STREET

From the Private Secretary

25 January 1985

CHANCELLOR KOHL'S VISIT TO CHEQUERS

Since the Anglo/German Summit I have been in touch with Chancellor Kohl's office to discuss dates for his visit to Chequers in the summer. It has been agreed that Chancellor Kohl will come to Chequers on 18 May, arriving at 12/1230 for a working lunch, followed by a full afternoon and early evening of discussions. This will be followed by a dinner party. Chancellor Kohl will leave Chequers at 9.30 on the Sunday morning. The Prime Minister has extended the invitation to stay at Chequers to Frau Kohl as well.

The Prime Minister does not at this stage wish to decide on participation in her talks with Chancellor Kohl but both she and the Chancellor intend that such participation should be very limited indeed. It would be helpful, however, in due course, to have some suggestions for dinner guests, bearing in mind that the maximum number which can be accommodated is 22. The Prime Minister would also like consideration given to a possible programme for Frau Kohl in London on the Saturday afternoon, to fill the time until her arrival at Chequers at 6/6.30 on Saturday evening.

(C.D. POWELL)

C.R. Budd, Esq.,
Foreign and Commonwealth Office.

Now see letter
002.

PRIME MINISTER

CHANCELLOR KOHL'S VISIT TO CHEQUERS

You invited Chancellor Kohl (or to be more accurate agreed to his suggestion to be invited) to Chequers in May/June. You suggested coming for dinner on a Saturday night and staying over for working sessions on the Sunday.

The only weekend we can identify is 18/19 May. But Kohl's preference would be to arrive before lunch on the Saturday: working lunch: discussions afternoon and early evening: more formal dinner: departure 0930 on the Sunday.

You might consider inviting Frau Kohl as well. A separate programme could be arranged for her in the afternoon. She could come to Chequers for the dinner and stay the night.

Agree to invite Kohl for 18/19 May, with timings above?

Agree to invite Frau Kohl?

Yes

C.D.P.

Yes

mt

Noted.
ck.

25/11

24 January 1985

*Mr see
letter minute
P.*

CAROLINE RYDER

The Prime Minister invited Chancellor Kohl to Chequers for a day of talks in the summer. She referred specifically to coming on a Saturday evening for dinner and staying over for talks on Sunday. Kohl would come with a very small party indeed.

It was agreed to settle dates as soon as possible. Could you please let me have suggestions. It must be after 8 May and before 20 June. 18/19 May? 1/2 June?

C.D.P?

18 January 1985

*CDP
18/19 May fine
1/2 June is
written recess
of the must
try to keep
it free.*

*18/19 May entered
in diary.*

15/16 Jan.

CR

21/1

PART 8 ends:-

Pm to Mr Clausen 29.8.84

PART 9 begins:-

CDP to CR 18.1.85.

