


Visit to the UK of the Swiss Foreign Minister: M. Aubert and his successor M. Felber.

SWITZERLAND

JANUARY 1984

Referred to	Date	Referred to	Date	Referred to	Date	Referred to	Date	
19.1.84.		<p><u>Series closed</u></p> <p>PREM 19/3/88</p>						
21.3.84.								
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5.12.89								
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15.2.90								
								

529
The Ambassador of Switzerland

CEFC
16-18 Montagu Place
London W1H 2BQ

15th February 1990

Dear Mr. Powell,

It was a pleasure to see you again on the occasion of Federal Councillor Felber's meeting with the Prime Minister. We were, of course, very happy to hear that Mrs Thatcher would accept the invitation extended to her by the Federal Council. I understand that a precise date in September will soon be submitted to Berne.

May I take this opportunity to ask you if Mrs Thatcher also intends to accept the invitation to speak at the University of St-Gall as part of the programme of her visit to Switzerland. I know the Foundation would be very glad to have some indication of the Prime Minister's plans in that regard and should be most grateful if you could tell me what they are.

.../...

by driver

Mr Charles Powell
Private Secretary to the Prime Minister
No 10 Downing Street
London SW1

As you will recall, we also discussed the visit to London of Federal Councillor Otto Stich, Head of the Federal Department of Finance, and of Mr Markus Lusser, President of the Swiss National Bank, in connexion with Switzerland's plan to join the Bretton Woods institutions. Mrs Thatcher told us that she would be happy to meet Messrs Stich and Lusser. I have therefore been asked to see with you if Mrs Thatcher could receive them between 21st and 23rd March. Should these dates not be convenient to her, there would be another possibility between 18th and 20th April. However, the former period would be preferred.

It would be extremely helpful if I could have some indication about this since meetings with the Chancellor of the Exchequer and with the Governor of the Bank of England will also have to be arranged. The Governor mentioned to me that he would be happy to give a luncheon. Furthermore, the visit to London of Messrs Stich and Lusser has to be included in a tour of the main capitals of the G10 countries, which obviously requires early coordination.

I look forward to hearing from you.

Yours sincerely,

Franz E. Muheim

Franz E. Muheim



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10 DOWNING STREET
LONDON SW1A 2AA

(C:1 foreign)
Felber)
bc:pc

From the Private Secretary

7 February 1990

Dear Richard,

PRIME MINISTER'S MEETING WITH THE FOREIGN MINISTER
OF SWITZERLAND

The Prime Minister had a talk this morning with the Swiss Foreign Minister. Mr. Felber was accompanied by the Swiss Ambassador, Mr. Staehelin (Head of the Political Division at the Swiss Foreign Ministry) and a Private Secretary. HM Ambassador Berne was also present.

Introduction

The Prime Minister said that Mr. Felber's visit was significant, coming at an important moment in European affairs. She was herself a frequent visitor to Switzerland and a great admirer of the country. Mr. Felber said that he brought the Prime Minister greetings from the Swiss President.

Bilateral Matters

Mr. Felber continued that he had also been charged to deliver an invitation to the Prime Minister from the President to pay an official visit to Switzerland in the course of the year. The Prime Minister said that she was very grateful for this and accepted with pleasure. She would propose firm dates as soon as possible but was thinking of the middle of September. Mr. Felber indicated that in principle dates then would be welcome.

Mr. Felber mentioned Switzerland's interest in participating in the Bretton Woods institutions, although there were still some problems with the Swiss Parliament over this. The Finance Minister and the President of the Central Bank would be visiting London to discuss these issues with the Chancellor of the Exchequer. The Prime Minister said she would very much like to see them when they came. She had a high respect for Switzerland's success in managing its economy, and would value a talk with them.

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European Community

Mr. Felber said that Switzerland was giving a lot of thought to its relations with the European Community. To a large extent, Switzerland was already economically integrated with the rest of Europe. But political and institutional relations were more problematical, given Switzerland's neutrality and tradition of direct democracy. Switzerland welcomed the concept of an European Economic Space but hoped it would not be necessary to have an inflexible definition of it.

The Prime Minister said that the Community was much preoccupied with completing the Single Market, which would represent the biggest advance since the Treaty of Rome itself. There were other important issues such as keeping Europe's market open and negotiation through the GATT to reduce agricultural subsidies. It was against this background that the Community had decided not to contemplate any further enlargement until at least 1993, although it was recognised that special arrangements would be needed to associate Eastern European countries more closely with the Community. The Community recognised Switzerland's special problems in the context of the negotiations between the European Community and EFTA, but hoped they could be overcome. The Prime Minister continued that some people wanted closer political integration in Europe. She did not believe that was either likely or desirable. It was very clear from what was happening in Eastern Europe that people retained a strong attachment to their individual countries and their national independence. This was one reason why she would like to see more attention devoted to building up the Council of Europe. This offered particular opportunities to the Eastern European countries to become more involved with Western Europe, while they were still not ready for membership of the Community. Mr. Felber said that he was delighted to hear this: Switzerland attached great importance to the Council of Europe.

German Reunification

The Prime Minister said that the issue of unification of the two German states was very much at the forefront of our minds. She was concerned that the problems which it raised were being addressed piecemeal rather than in an organised fashion. She thought it vital to have a clear framework within which the implications of unification for NATO, the CSCE, the European Community and Four Power rights in Berlin could be properly examined. A unified Germany would exert very strong influence in both western and central Europe. The ripples could already be seen in, for instance, closer relations between Britain and France. Unification was not just a matter for Germany but for Europe as a whole: and the rest of us could not be expected just to accept whatever Germany wanted. Although she could not say so publicly, Germany had to be reminded of the importance of maintaining its agreements and obligations. The most important task of all was to keep Europe's stability and security intact.

Mr. Felber said that it was useful to have the Prime Minister's views. He shared her fear of destabilisation in Europe. The Swiss could never forget that Germany had nearly

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precipitated the breakup of their country in 1914. It was necessary to remain alert to developments.

I am copying this letter to John Gieve (HM Treasury), Martin Stanley (Department of Trade and Industry) and to Sonia Phippard (Cabinet Office).

Yours sincerely
Charles Powell

(C. D. POWELL)

Richard Gozney, Esq.,
Foreign and Commonwealth Office.

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LE PRÉSIDENT
DE LA CONFÉDÉRATION SUISSE

Berne, 7th February 1990

By Hand

Dear Prime Minister,

It is a great honour and pleasure for me to invite you, on behalf of the Swiss Federal Council, to pay an official visit to Switzerland during the course of 1990. The Federal Council would be delighted to welcome you to Berne, especially as no British head of government has ever visited our country officially.

We are currently experiencing epoch-making developments in Europe, as regards both the completion of integration in the West and the revolutionary changes in the East European countries. The Federal Council would be particularly interested in discussing these matters with you.

If, as I very much hope, you are able to accept, the precise dates could be arranged through diplomatic channels. In the meantime, may I offer you my very best wishes for a successful New Year.

Yours sincerely,

A. Koller

Arnold Koller

The Rt Hon. Margaret Thatcher, M.P.,
Prime Minister,
10 Downing Street,
London, S.W.1

ccbackup

PRIME MINISTER

MEETING WITH THE SWISS FOREIGN MINISTER

You are to see the Swiss Foreign Minister briefly tomorrow morning. He is here on an official visit. M. Felber is a Social Democrat and former teacher. He has been Foreign Minister for some two years, during which he tried to bring Switzerland a bit out of its self-imposed shell. As a result, Switzerland is now toying with the idea of joining the IMF and IBRD, and favours closer relationship between EFTA and the EC.

As you would expect, Switzerland is doing pretty well. Unemployment is all of 0.5 per cent, although inflation is up to 3.2 per cent. The Swiss are our eleventh largest market. Last year, a plebiscite on abolishing the army was defeated only 2:1.

There will be only a short time (especially with interpretation). The main points are:

- he will hand over a formal invitation to you to visit Switzerland. It would be nice if you would accept and say that you hope to come later this year, perhaps in the late summer/early autumn. You will propose dates as soon as possible. (There is a hitch over late August, because of a clash with the EDU meeting in Helsinki.) You might ask him what would be the main elements of a programme for a visit.
- he will want to tell you how Switzerland see relations between EFTA and the EC. The Swiss have some concern that extension of Single Market rules will run up against their direct democracy (ie. some cantons might just refuse to adopt them). He will want to know how you see EC enlargement.
- he will be interested in your views on the Soviet Union and Eastern Europe. He is due to visit Hungary and Czechoslovakia in the near future.

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I doubt there will be time for much more. Our Ambassador - Christopher Long - will be present. He has been very helpful to Lady Glover.

A fuller note by the FCO is in the folder.

C.D.P.

C. D. POWELL

6 February 1990

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(das)

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Foreign and Commonwealth Office

London SW1A 2AH

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5 February 1990

Dear Charles,

Meeting with M. Felber: 7 February

The Swiss Foreign Minister, M Felber is in London on a working visit and will call on the Prime Minister at 9.30 am for half an hour on 7 February. He will be accompanied by M Franz Muheim, the Swiss Ambassador, M Jenö Staehelin, Head of Political Division 1 at the Federal Department of Foreign Affairs, and M Pierre Combernous, an interpreter. Mrs Mary Penny will be our interpreter. Mr Christopher Long, HMA Berne, will attend. Personality notes are enclosed.

Later on 7 February, M Felber will have talks and dinner with the Foreign Secretary. He will call on Mr Ridley on 8 February. The rest of the programme includes visits to the House of Commons and House of Lords. Mme Felber is accompanying her husband to London and has her own programme.

This is the first visit by a Swiss Foreign Minister since 1984. Sir Geoffrey Howe visited Switzerland in 1988. Apart from a general exchange of views on international issues, we want to promote progress on the EC/EFTA dialogue.

M Felber will hand over the expected Federal Council's invitation to the Prime Minister to visit Switzerland. It would be welcome if the Prime Minister were able to accept and say roughly when she might be able to go.

M Felber wants to discuss EC/EFTA and may suggest that Switzerland merits special consideration.

M Felber would also like to hear the Prime Minister's views on Eastern Europe and the Soviet Union. He may briefly mention Switzerland's interest in joining the Bretton Woods Institutions.

EC/EFTA

Among EFTA members the Swiss have been the most assiduous in building close relations with the Community (now over 130 bilateral agreements with the EC). But they have some private

/doubts

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doubts about the possible implications for Switzerland of the current EC/EFTA negotiations for a new, more structured, multilateral partnership and the creation of a genuine "European Economic Space" (EES). The EES would mean the extension of the Single Market to include EFTA. We favour this and hope the negotiations succeed: we believe acceptable arrangements can be negotiated, if both sides are flexible and imaginative. We want to keep up the momentum of negotiations. (There is some EFTA concern - though not in Switzerland - that the EC may allow the pace to drop because of distractions in Eastern Europe).

The Swiss have ruled out EC membership because of their neutrality and system of direct democracy. But M Felber may refer to the Austrian application and the possibility of GDR membership. This would give an opportunity to reiterate that:

- Any applications will be dealt with in accordance with the procedures set out in the EEC Treaty;
- The implications of Austrian neutrality will need to be carefully considered;
- For the present the Community must focus on completion of the Single Market, which will bring major change;
- For the GDR and other Eastern European countries the first priority must be the establishment of fully democratic governments and market based economies.

Eastern Europe

M. Felber is due to visit Czechoslovakia and Hungary in the near future. General Jaruzelski visited Switzerland on 5 February. Hungary is involved in regional cooperation (the "quadrilateral initiative") with Italy, Austria and Yugoslavia. The Hungarians are keen for Czechoslovakia to join in. There has also been talk of Swiss participation. The Prime Minister could probe Swiss intentions and their views on the initiative which we welcome. The Prime Minister might also say:

- Euphoria of last year's revolutions now giving way to hard reality, especially dire economic situation and magnitude of task of restructuring. Unwillingness in places to face radical action required.
- Poland so far peaceful despite harsh measures now severely affecting living standards. Useful example of value of popular mandate.

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- Czechoslovakia perhaps best bet for democracy and economic recovery, given industrial tradition and low debt. But problems even there marrying new Government style with old bureaucracy.
- Forthcoming elections likely to sweep away Communist rule - only Bulgarian party likely to get reasonable (but minority) vote. Construction of new coalition governments likely to be difficult. Many parties. Main opposition parties in Hungary at loggerheads.
- Situation in GDR particularly difficult. Emigration at unsustainable levels (2,000-3,000 per day). All main parties - and Gorbachev - now appear to accept that unification will occur. But important questions need to be resolved.
- Will need Western help. Have announced extension of Know-How Funds to countries fully committed to reform. Also favour extension of G24 remit.
- Glad of Swiss help for Poland (so far food \$3m), environmental help (\$9.1m) and \$30m contribution to Stabilisation Fund). Further plans?

Soviet Union/East West relations

M Felber may seek the Prime Minister's views on the internal situation in the Soviet Union, and prospects for Gorbachev. We shall provide an update on the 5/6 February plenum. The Prime Minister may wish to describe the support we have given to perestroika. We have a full bilateral agenda. A delegation from the Supreme Soviet will visit the UK, headed by Medev, 7-13 February, the Foreign Secretary will go to Moscow on 9-12 April. The Prime Minister will visit Kiev and Moscow at the time of the Kiev event in June (to be opened by Princess Royal).

Bretton Woods

M Felber may mention that the Federal Council have decided to begin exploratory discussions with the principal members of the IMF about Switzerland's possible accession to the Bretton Woods Institutions. Switzerland will have no difficulty in fulfilling the membership formalities, provided the idea of joining satisfies the Swiss democratic process.

The Swiss decision is welcome particularly since they have already said they intend to do more than their share in lending to the Fund.

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General

M Felber has been Foreign Minister since December 1987. He has tried to make Swiss policy more open-minded and less isolationist, notably towards the UN and European integration. He has plans to visit the USSR, Hungary and Czechoslovakia later this year.

Switzerland's broad-based coalition government is drawn from the Radicals, Christian Democrats, Socialists and the Centre Democratic Union. The Federal Council (Council of Ministers) has seven members. Its Chairman (currently M Koller) is elected in rotation by the Federal Assembly for a term of one year, during which he is also President of the Confederation. The next elections are in 1991.

Internal politics were dominated last year by a political scandal, triggered by the resignation of the Justice Minister, Mrs Kopp, at the end of 1988, and the Attorney General after allegations of misuse of official information. Subsequent investigations have raised questions about money laundering and the Swiss Security Services. A plebiscite to abolish the army, which was defeated in November by a 2:1 vote, generated much interest. The result was less decisive than the Federal Government had hoped and expected. UK defence sales could be affected if, as seems likely, the Swiss now decide to cut back on defence expenditure.

The Swiss economy continues to prosper. With unemployment at 0.5%, job vacancies outnumber the unemployed. Exports increased rapidly, helped by a weaker Franc. But, inflation edged up to 3.2%, high by Swiss standards, and will go higher in 1990. The larger Swiss industrial and commercial firms are well-prepared for 1992, and are working hard to stay competitive both with the EC and more widely.

Switzerland was our 11th largest market in 1988 taking £1.85 bn of British goods. We are Switzerland's fourth biggest customer and supplier. Total UK imports from Switzerland were somewhat higher at £3.84 bn, leaving us with a total trade deficit for 1988 of £1.99 bn. Distorting elements like gold and precious stones now form a much smaller part of our trade.

Bilateral relations are good. There is much goodwill in Switzerland towards the UK. Mr Moore, Mr Parkinson, Lord Young and Mrs Chalker all visited Switzerland last year. There were visits here in 1989 by Federal Councillors Cotti,

/Ogi and

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Ogi and Koller. We understand the Prime Minister has not met M Felber, nor the Federal President for 1990, M Koller. The only minor friction in our dealings with the Swiss has been over securing their help in dealing with a series of difficult financial cases (e.g. de Lorean, Barlow Clowes). Individual cantonal authorities have their own interpretation of reciprocity. The Federal official concerned came here last December and we hope for greater Swiss cooperation as a result.

Yours,
Josephine Wall
(J S Wall)
Private Secretary

C D Powell Esq
10 Downing Street

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RENE FELBER

Federal Councillor (Socialist) and Head of the Federal Department of Foreign Affairs, since December 1987.

Born 1933. Teacher from 1955 to 1964.

Joined Social Democratic Party in 1958 and elected to Le Locle local council in 1960. Mayor of Le Locle 1964-1980. Responsible for town's industrial services 1964-1972 and for Finance Department 1972-1980. Concurrently a member of the Neuchatel cantonal parliament 1965-1976 and a National Councillor (ie member of federal parliament) 1967-1981. Elected member of the Neuchatel government in 1981 (President 1984). Responsible for cantonal Department of Finance until election as Federal Councillor on 9 December 1987.

As a National Councillor was a member of External Trade and Foreign Affairs Committees. Represented Federal Council several times at Conference of European Ministers responsible for Local Government. Chairman of Social Democratic parliamentary group 1980-1981.

Married with three children. First language French. Speaks German but little English. Interests include the natural world, gardening, wine-growing, arts, theatre, music.

MUHEIM, FRANZ

Swiss Ambassador to London since May 1989.

Born 1931. Joined the Federal Department of Foreign Affairs in 1960 and served in Belgrade, Rabat and London returning to Berne in 1971. From 1974 he headed the UN and International Organisations Section until 1978 when he was posted as Minister to Washington. 1982 returned to Berne on appointment as Head of Political Division 1. He had responsibility for CSCE matters and became Head of the Directorate for International Organisations in April 1984. Was much put out by the British withdrawal from UNESCO and by the outcome of the Swiss 1986 referendum on UN membership. Appointed Ambassador to the UK in 1989.

Ambassador Muheim spent 1981 at the centre of International Affairs at Harvard University and has published papers on Switzerland and the UN.

Married. They have no children.

He speaks good English.

MR CHRISTOPHER (WILLIAM) LONG CMG

HM Ambassador at Berne since July 1988.

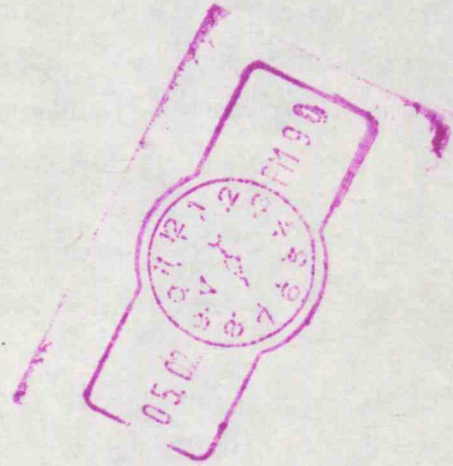
Born in Belfast in 1938. Educated at King Edward's School, Birmingham, and Balliol College, Oxford, where he read Classics and Oriental Languages.

National Service in the Royal Navy from 1956 to 1958, during which time he studied and taught Russian. Spent a year as Theodor Heuss Research Fellow at the University of Münster.

Joined the Foreign Office in 1963. In 1964 went to MECAS for further Arabic language study. 1965 posted to Jedda as Third, later Second, Secretary. Returned to London early 1967 to attend the Treasury Centre for Administrative Studies. 1967 appointed Second Secretary at Caracas. Promoted First Secretary in May 1969. Posted to Foreign and Commonwealth Office in 1969. Posted to Budapest in 1974 as First Secretary and Head of Chancery. In Autumn 1977 served on the UK Delegation to the Conference on Security and Cooperation in Europe. From 1978 to 1980 was Counsellor and Head of Chancery at Damascus. Appointed Deputy Permanent Representative to the UK Mission to the United Nations at Geneva in 1980. Posted to the FCO in 1983 as Head of Near East and North Africa Department. Appointed Assistant Under-Secretary of State (Deputy Chief Clerk and Chief Inspector) in the FCO in 1985.

Mr Long was made a CMG in 1986 New Year Honours.

Married 1972. They have a daughter, born in 1974, and two sons, born in 1977 and 1982.



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FM BERNE

TO DESKBY 051200Z FCO

TELNO 15

OF 050940Z FEBRUARY 90

INFO IMMEDIATE NO 10 (FOR PRIVATE SECRETARY)

AND TO INFO IMMEDIATE DTI (FOR PS/MR RIDLEY)

AND TO INFO SAVING UKREP BRUSSELS, EFTA POSTS

ADVANCE COPY

Coming to
see you on
Wednesday.
or

VISIT OF SWISS FOREIGN MINISTER

SUMMARY

1. THE SWISS FOREIGN MINISTER IS TO PAY HIS FIRST OFFICIAL VISIT TO LONDON ON 6-8 FEBRUARY. THIS WILL FOCUS ON EUROPEAN INTEGRATION AND REINFORCE ALREADY EXCELLENT BILATERAL RELATIONS. INVITATION TO PRIME MINISTER TO VISIT SWITZERLAND.

DETAIL

2. RENE FELBER HAS HEADED THE FOREIGN AFFAIRS DEPARTMENT (FDFA) SINCE 1987. THE SEVEN FEDERAL COUNCILLORS ARE COLLECTIVELY THE EXECUTIVE AND HEAD OF STATE OF THE SWISS CONFEDERATION.

3. MR FELBER TRAINED AS A TEACHER. HIS POLITICAL ADVANCE HAS BEEN STEADY, FIRST AT LOCAL, THEN AS CANTONAL FINANCE MINISTER IN NEUCHATEL, AND FINALLY AT NATIONAL LEVEL. HE IS HARDWORKING AND ACUTE: SERIOUS IN PUBLIC, FLUENT AND AMUSING IN PRIVATE. HE UNDERSTANDS ENGLISH BUT PREFERS TO SPEAK FRENCH.

4. YOUR GUEST IS GREATLY LOOKING FORWARD TO HIS TALKS WITH YOU AND TO MEETING THE PRIME MINISTER AND MR RIDLEY. HIS TWO MAIN CONCERNS ARE EUROPEAN INTEGRATION (PARTICULARLY EC/EFTA) AND THE EFFECTS ON IT OF DEVELOPMENTS IN EASTERN EUROPE. HE WILL WANT TO LEARN OUR VIEWS AND WILL BE LISTENING IN PARTICULAR FOR EVIDENCE OF CONVERGENCE IN BRITISH AND SWISS POLICY AS IN THE PAST.

5. WE ARE FORTUNATE THAT OUR RELATIONS WITH SWITZERLAND ARE SO GOOD. THERE IS INEVITABLY SOME TENDENCY TO TAKE THE SWISS FOR GRANTED. THIS VISIT PROVIDES AN OPPORTUNITY TO SHOW OUR INTEREST IN MAINTAINING CLOSE DEALINGS WITH THEM IN AS MANY FIELDS AS POSSIBLE. A CRUCIAL SIGNAL OF THIS WILL BE IF THE PRIME MINISTER CAN ACCEPT THE FEDERAL COUNCIL'S INVITATION TO VISIT SWITZERLAND.

6. SWITZERLAND'S PLACE IN EUROPE IS NOW RIGHT AT THE TOP OF THE DOMESTIC POLITICAL AGENDA HERE. THE SWISS ARE COMMITTED TO THE EC/EFTA NEGOTIATING PROCESS, BUT THEY WANT A GOOD AGREEMENT RATHER THAN A QUICK ONE. THEY ARE UNLIKELY TO WORRY IF THE AMBITIOUS TARGET OF THEIR EFTA PARTNERS (AN OUTLINE AGREEMENT BY THE END OF 1990) CANNOT BE MET ON TIME. THEY FEEL THEY HAVE MORE TO LOSE AND LESS TO GAIN THAN THE OTHER EFTA COUNTRIES. THEY ARE ACUTELY CONSCIOUS OF THE DIFFICULTY OF GETTING THE SWISS ELECTORATE TO BUY THE PROPOSED EES AT THE COST OF GIVING UP TRADITIONAL DIRECT DEMOCRACY (IE THE RIGHT TO CHALLENGE LEGISLATION IN A PLEBISCITE). KEY PROBLEMS FOR THE SWISS ARE AGRICULTURE, TRANSIT POLICY, AND THE FURTHER EXPANSION OF RIGHTS FOR NON-SWISS TO LIVE, WORK AND OWN PROPERTY IN SWITZERLAND.

7. I THINK OUR OBJECTIVES SHOULD BE:

(I) TO STRESS THE IMPORTANCE WE PLACE ON OUR MANY DEALINGS WITH SWITZERLAND.

(II) TO GIVE A FULL AND CLEAR ACCOUNT OF OUR OWN APPROACH TO THE EC/EFTA NEGOTIATIONS AND EUROPEAN INTEGRATION MORE WIDELY.

(III) TO EXCHANGE VIEWS ON EASTERN EUROPE. THE SWISS ARE ACTIVE MEMBERS OF G24 AND FOUNDER MEMBERS OF THE EBRD. THEY ARE MAKING AVAILABLE SFR250 MILLION (POUNDS 100 MILLION) FOR EASTERN EUROPE THIS YEAR. LIKE US THEY WANT IT SPENT WISELY. MR FELBER BELIEVES STRONGLY THAT THOUGH MUCH OF THE MONEY MAY COME FROM GOVERNMENT, PRIVATE ENTERPRISE HAS TO DO THE REAL WORK. HE IS TO VISIT CZECHOSLOVAKIA AND HUNGARY (AND PROBABLY ALSO THE SOVIET UNION) THIS YEAR. PRESIDENCE JARUZELSKI IS HERE TODAY AND PRESIDENT HAVEL IS COMING LATER IN THE YEAR.

(IV) TO OBTAIN SWISS UNDERSTANDING FOR OUR POLICIES ON THE REPATRIATION OF VIETNAMESE REFUGEES. THE SWISS HAVE A SERIOUS REFUGEE PROBLEM OF THEIR OWN.

(V) TO THANK THE SWISS FOR LOOKING AFTER OUR INTERESTS IN ARGENTINA AND TO EXPLAIN HOW WE EXPECT ANGLO-ARGENTINE RELATIONS TO DEVELOP.

FCO PLEASE PASS SAVING

LONG

YYYY

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PS/MR RIDLEY, DTI

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FILE



10 DOWNING STREET

LONDON SW1A 2AA

From the Private Secretary

5 December 1989

Dear Richard,

SWITZERLAND

The Swiss Ambassador called on me recently to say that the Swiss Government very much hoped that the Prime Minister would pay a brief official visit to Switzerland next year. The invitation would be formally delivered when the Swiss Foreign Minister calls on the Prime Minister in February.

As you will recall from my letter of 5 September, the Prime Minister would be interested in making such a visit next year, but could probably only do so at the very end of July/early August, or the very end of August, with some preference for the former. Could you please establish from HM Ambassador in Berne whether such dates (eg in the period 6-9 August or 29 August-1 September) are likely to be practicable: or do they both fall squarely in the holiday season for Swiss Ministers, bankers and industrialists?

Bah

see BERNE TEL NO 243 8/12

*you mean
Powell*

CHARLES POWELL

R H T Gozney Esq
Foreign and Commonwealth Office

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KK

PRIME MINISTER

SWITZERLAND

The new Swiss Ambassador came to see me today to repeat the invitation from his government for you to visit Switzerland in the course of next year. A formal invitation would be delivered when the Swiss Prime Minister calls on you in February. I said that I knew you were keen to pay a visit to Switzerland but was not sure whether you were yet in a position to set a date. I would try to discuss it with you over the next few weeks to see what might be possible.

You did in fact note on earlier papers that you would like to visit Switzerland next year and we had tentatively pencilled in late August/early September. However, you also have a visit to the United States to fit in: you will recall that Antony Acland is keen for you to go across to the West Coast and give some speeches (which might be an opportunity to spend a few days with the Annenbergs in Palm Springs). But a visit to the United States would have to be after Labor Day (4 September) to attract reasonable audiences. It might still therefore be possible to squeeze in a short visit to Switzerland, either at the very end of July/early August or end August/early September.

Would you like to pursue these options?

C D P

Yes

C. D. POWELL

1 December 1989

c:\wpdocs\foreign\swit



ITG
EM

SWITZERLAND
Re/s

10 DOWNING STREET
LONDON SW1A 2AA

cc: PC

From the Private Secretary

25 October 1989

X charged by
FCO and AP
agreed by 3/10/89

VISIT OF THE SWISS FOREIGN MINISTER

BPK

Thank you for your letter of 24 October about the visit of the Swiss Foreign Minister next February. The Prime Minister could see Mr Felber at 0930 on ~~6~~ February.

7 February

X

CHARLES POWELL

R H T Gozney Esq
Foreign and Commonwealth Office



Amanda
Please speak on

CCPC

Foreign and Commonwealth Office

London SW1A 2AH

24 October 1989

0930 on
~~Tues 6 Feb~~
Wed 7 Feb

→ Jean Chalker, O/R

Call on the Prime Minister by the Swiss Foreign Minister

The Swiss Federal Counsellor for Foreign Affairs, Mr Rene Felber, will visit London from 6-8 February 1990. The Swiss have asked for a call on the Prime Minister.

We consider it desirable, though not essential, that the Prime Minister should see Mr Felber for a short call; 30 minutes would suffice.

As foreshadowed by Mrs Chalker when she wrote to the Prime Minister in May (your letter of 12 May refers), Mr Felber will carry with him a formal invitation from the President of the Swiss Federal Council (the collective Head of State of the Swiss Confederation) to the Prime Minister to visit Switzerland during 1990. I note from your letter of 5 September that the Prime Minister would like to pay a visit in August or September 1990. Apart from delivering the invitation, Mr Felber will probably wish to touch on 1992, EC/EFTA and East/West relations.

Switzerland is our 12th largest market (the fourth largest outside the EC). Our exports have been growing steadily over the past few years. The UK and Switzerland have a shared interest in an open trading and financial system. The Swiss regard Britain as a special friend, considering that we have similar views about the development of Europe.

/I should



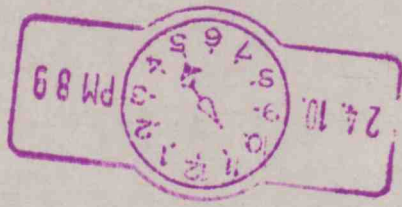
I should be grateful to know whether the Prime Minister would be willing to receive Mr Felber during his visit. The Foreign Secretary may have talks with Mr Felber on 7 February.

Yours ever,

Richard Gozney

(R H T Gozney)
Private Secretary

C D Powell Esq
10 Downing Street





file

BH

10 DOWNING STREET

From the Private Secretary

2 April 1984

Visit of Swiss Foreign Minister

M. Aubert called on the Prime Minister this afternoon. I enclose a record of conversation.

AJC

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

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FOR SUBJECT

RECORD OF CONVERSATION BETWEEN THE PRIME MINISTER AND THE FOREIGN MINISTER OF SWITZERLAND AT 1530 HOURS ON 2 APRIL 1984 AT 10 DOWNING STREET

Present:

Prime Minister	M. Aubert
Mr. Powell-Jones	M. Pictet
Mr. Coles	M. Pianca
Interpreter	M. Jaccard
	Interpreter

* * * * *

The Prime Minister said that she was very pleased to see M. Aubert. We wished to thank the Swiss Government for their protection of British interests in Buenos Aires. We were most grateful. At present we were considering how best we could normalise commercial relations with Argentina. We did not think it appropriate to send a reply to the latest Argentine note just at this time of the year which was so close to the anniversary of the invasion. But we would reply soon. We hoped that Argentina would agree to normalise relations for this made sense. But Argentina was in very considerable financial difficulty. A package had had to be assembled this weekend to avoid them defaulting on previous loans. Considerable difficulties lay ahead for Argentina. Stability was not the most obvious characteristic of Latin American countries. But we were most grateful for all the Swiss had done.

M. Aubert thanked HMG for putting confidence in the Swiss. His country would continue to carry out its role in the most effective way possible. At the end of February he had received the Argentine Foreign Minister in Berne and had discussed with Mr. Caputo very openly the problem of relations with the United Kingdom. He had detected a desire on Mr. Caputo's part to try to re-establish relations and regularise the situation. The question arose of where any dialogue should take place. He had himself offered to the Foreign and Commonwealth Secretary earlier in the day the possibility of the

/ first contact

first contact being made at Berne. Then there could perhaps be a second round in Brasilia or elsewhere. In any case, the UN should not be the venue. The Prime Minister commented that she would not wish the UN to be used because of the unhappy resolutions adopted on the subject by that organisation. M. Aubert said that his reference to Berne was not a proposal but an offer. The Prime Minister expressed appreciation and said that the offer would be considered very carefully. M. Aubert said that Mr. Caputo would not be opposed to such a solution. Then the problem of sovereignty The Prime Minister interjected "will not be discussed".

M. Aubert said that Mr. Caputo had a strong desire to re-establish normal relations by small steps. He had seemed sincere. Given the present composition of the Argentine Government, and Mr. Caputo's presence as Foreign Minister, there was a slight opening in the attitude of Argentina.

The Prime Minister said that she would speak frankly. We wanted to normalise relations. But we saw the discussions taking place between Argentina and the United Kingdom which had as one of its dependencies the Falkland Islands. Argentina wished to normalise relations as a means of discussing the future of the Falkland Islands. We could not enter into talks if Argentina expected discussion of sovereignty. Statements on this matter could be made before the talks started. M. Aubert said that the services of Switzerland would always be available to try to facilitate contact.

The Prime Minister then raised the subject of the Iran/Iraq war. It was a terrible tragedy. M. Aubert said that he had received the Iranian Foreign Minister on 17 February, 1984. As their discussions had progressed the lack of will for peace in his interlocutor had been so clear that he had been obliged to say that war was the only solution. Mr. Velliati had ended by admitting this. Iran wanted to reach Baghdad, overthrow the Iraqi Government and proceed to unknown destinations. How long would Khomeini remain on the scene? The Prime Minister said that he would probably be around for some time - he came from a healthy family. She could not understand how a country could send so many young people to their death. But it was clear that the whole Iranian population was being brainwashed into dying for their country. The progress of technology made it easier

/ for tyrants

for tyrants to impose their will nowadays.

M. Aubert said it was tragic that Israel, a bastion of democracy in the area, was sending arms and technology to Iran. Switzerland was also much preoccupied by the Lebanon. The two conferences in Switzerland had made little progress. The Prime Minister observed that both sides seemed to have disagreed among themselves. M. Aubert commented on the influence of Syria which was happy to have, in President Gemayel, a weak President. All the Lebanese leaders hated each other. This was one reason why they met abroad rather than at home. When he himself had opened the Geneva Conference he had found a glacial atmosphere. It was hard to see how peace could come about from people who felt in this way. The Prime Minister said that the Lebanese leaders would have to decide whether they wished to keep Lebanon as an independent country. There might have to be a cantonal compromise. Gemayel's youth and inexperience created problems.

M. Aubert said that there were depressing features in Central America too. Taking up a reference to El Salvador, the Prime Minister said that unless the elections produced a democratic government, people would lose faith in democracy. She sometimes thought that it had been a mistake to try to transfer Western democratic systems to other countries despite their differences in education and culture. M. Aubert said that he shared this view. Turkey perhaps provided an example. Three military governments had been necessary to re-establish order and reduce corruption. But when democracy returned, disorder and corruption returned too. The question arose of whether Turkey could be retained within the family of democracies ie the Council of Europe. The Prime Minister said that she understood the problems but Turkey was of strategic importance and it was vital that it remained democratic. There were times when one had to accept a form of democracy which was less than perfect.

The discussion ended at 1605 hours.

A.J.C.

2 April 1984

SWISS FOREIGN MINISTER

Falklands/Argentina

Thank you for skilful handling of British interests in Buenos Aires.

Appreciate action in 1983 when our staff and property were under threat.

Want more normal relationship with Argentina. No discussion of sovereignty. But trying to get into talks.

European Community

Current problems.

Vision for future.

East-West Relations and Arms Control

General exchange of views.

UN

Interested in your national debate on whether to join - we would welcome.



Foreign and Commonwealth Office

London SW1A 2AH

30 March, 1984

John Jones

Visit of M. Aubert, Swiss Foreign Minister: 1-3 April

The Prime Minister has agreed to see M. Pierre Aubert at 1530 on Monday 2 April. He will be accompanied by the Swiss Ambassador, M. Francois Charles Pictet; Ambassador Francis Pianca, (instead of Ambassador Ritter as originally requested), who is the Head of the Ministry's Political Division for North America and Europe; and his Private Secretary M. Philippe Jaccard. Sir Geoffrey Howe will be present, accompanied by HM Ambassador at Berne, Mr John Powell-Jones.

This will be M. Aubert's second visit to London, as guest of the Foreign and Commonwealth Secretary, while serving as Federal Councillor and Head of the Swiss Department of Foreign Affairs. The previous visit was in November 1980. Mme Aubert is also coming to London.

Before his call on the Prime Minister, M. Aubert will have talks during the morning with Sir Geoffrey Howe and Lady Young at the Foreign Office. Sir G Howe will host lunch for him. The previous evening, M. Aubert will have attended a Concert of British music at the Royal Festival Hall, and supper given by Lord Cockfield.

There are no serious bilateral problems between our two countries. M. Aubert will wish to hear the Prime Minister's views on major international affairs, particularly East/West relations and arms control, on which the Swiss take a robust view despite their neutrality. (They play a prominent and on the whole helpful part in the deliberations of the Neutral and Non-Aligned at the Conference on Disarmament in Europe at Stockholm, and in other CSCE events). The Swiss take a close interest in European Community developments and M. Aubert may well ask the Prime Minister's views on the Community's future. He may refer to the Council of Europe, whose work the Swiss strongly support.

The Foreign and Commonwealth Secretary hopes that the Prime Minister will express our gratitude to the Swiss for their skilful handling of British interests in Buenos Aires (and Guatemala). They are doing very well by us. Separate briefing on the Falklands and Argentina is attached (Annex A).



The Swiss are engaged in a lengthy debate on whether to join the UN. M. Aubert strongly favours this, and if the national referendum, which is likely to be held in 1985, goes in favour of joining - by no means a foregone conclusion - this will be largely to his credit. The Prime Minister might comment that we would welcome Swiss membership of the UN for their diplomatic experience and influence for moderation.

/ I enclose a background brief on the Swiss political scene
/ (Annex B), a personality note on M. Aubert (Annex C) and Berne
/ telegram number 98 about the visit (Annex D).

A handwritten signature in blue ink, appearing to read 'R B Bone', written in a cursive style.

(R B Bone)
Private Secretary

A J Coles Esq
10 Downing Street



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VISIT BY SWISS FOREIGN MINISTER, M. AUBERT: 2-3 APRIL

Falklands/Argentina

Points to Make

Swiss Rôle as Protecting Power

1. Much appreciate constructive approach of Swiss Government to task of protecting British interests in Argentina.
2. Was glad that your State Secretary, M. Probst, was able to convey my message to President Alfonsin on the occasion of his inauguration.
3. Our officials are meanwhile in contact about our proposals for normalisation of bilateral relations.
4. Grateful also for Swiss action on our behalf in Buenos Aires especially at moments when we have been concerned about the security of our staff in the Interests Section.

Relations with Argentina

5. We have repeatedly made clear our wish for a more normal bilateral relationship with Argentina. No question of discussing sovereignty of the Falkland Islands with Argentina. We must start the process of restoring confidence by talking about things which it is realistic to discuss.
6. Resumption of diplomatic relations still some way ahead: not possible without formal Argentine declaration of cessation of hostilities. For the present reciprocal removal of remaining economic and commercial restrictions offers the best opportunity for progress.

Foreign and Commonwealth Office
27 March 1984

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Essential Facts

1. In the absence of diplomatic relations between Britain and Argentina, the Swiss, in their rôle as Protecting Power, are directly involved in our efforts to seek ways to normalise our relations with Argentina. They conveyed the Prime Minister's message to President Alfonsin on the occasion of his inauguration on 10 December 1983 and, on 26 January, transmitted our proposals for establishing with the Argentines terms of reference for official talks about normalisation of bilateral relations. The Swiss Foreign Ministry also provided us with the text of the Argentine reply to our proposals on 17 February, in advance of the formal transmission of the text through the Brazilian Embassy in London.

2. More generally, since undertaking their role as Protecting Power in 1982 the Swiss, through their Embassy in Buenos Aires, have consistently acted effectively on our behalf. Last year, in the days leading up to the first anniversary of Argentina's invasion of the Falklands on 2 April, and in connection with Sr Destefanis' abortive journey to the Falklands, threats were made against our staff in Buenos Aires, and in particular against Mr Joy, the head of the British Interests Section, some of which purported to issue from the "Triple A" - a right-wing terrorist organisation which was involved in political murders in the 1970s. The Prime Minister may wish to express gratitude for the swift action that the Swiss took with the Argentines on our behalf to make sure that our staff and property were adequately protected, and to ensure that nothing came of these threats. The Swiss were also helpful in removing slogans which were daubed on the walls of the British Interests Section in October 1983.

Foreign and Commonwealth Office
27 March 1984

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MESSAGE FROM THE PRIME MINISTER TO PRESIDENT ALFONSIN AT HIS
INAUGURATION, 10 DECEMBER 1983

On the occasion of your inauguration I wanted to let you know that, although we have many differences, we can all take pleasure in the restoration of democracy to Argentina, believing it will bring freedom and justice to all your people. Today brings new hope to your country.

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TO FLASH BERNE

TELEGRAM NUMBER 22 OF 26 JANUARY

MIPT: RELATIONS WITH ARGENTINA

1. FOLLOWING IS TEXT OF SPEAKING NOTE.

BEGINS: THE BRITISH GOVERNMENT HAVE ASKED THE SWISS PROTECTING POWER TO APPROACH THE GOVERNMENT OF ARGENTINA, TO CONSIDER MEANS OF FOLLOWING UP THE EXCHANGE OF MESSAGES ON 10 DECEMBER BETWEEN MRS THATCHER AND PRESIDENT ALFONSIN. THE BRITISH GOVERNMENT REPEAT THEIR WELCOME FOR THE RETURN OF DEMOCRACY TO ARGENTINA. THEY BELIEVE THAT THE POSSIBILITY OF TALKS BETWEEN BRITAIN AND ARGENTINA AT OFFICIAL LEVEL ABOUT THE PROGRESSIVE NORMALISATION OF RELATIONS BETWEEN THE TWO COUNTRIES SHOULD NOW BE CONSIDERED. IT WILL BE NECESSARY HOWEVER FOR BOTH SIDES TO RECOGNISE THE REALITIES OF THE SITUATION AND THE CONSTRAINTS UNDER WHICH THE OTHER IS OPERATING.

2. WITH THIS IN MIND, THE BRITISH GOVERNMENT PROPOSE THAT ANY DISCUSSIONS SHOULD BE WITHOUT PREJUDICE TO THE POSITIONS OF THE UNITED KINGDOM AND ARGENTINA RESPECTIVELY ON THE QUESTION OF SOVEREIGNTY OVER THE FALKLAND ISLANDS, AND INDEED, THAT SOVEREIGNTY WOULD NOT BE DISCUSSED.

3. IT IS PROPOSED THAT THE AGENDA FOR DISCUSSION COULD INCLUDE:

- A. THE RECIPROCAL LIFTING OF RESTRICTIONS ON TRADE BETWEEN THE UNITED KINGDOM AND ARGENTINA.
- B. THE LIFTING OF ALL OUTSTANDING FINANCIAL RESTRICTIONS.
- C. ARRANGEMENTS FOR THE RETURN OF THE ARGENTINE DEAD FROM THE FALKLAND ISLANDS OR, FAILING THAT, FOR A NEXT-OF-KIN VISIT.

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- D. THE RESTORATION OF THE AIR SERVICES AGREEMENT BETWEEN THE TWO COUNTRIES.
- E. THE RESUMPTION OF CULTURAL, SCIENTIFIC AND FULL SPORTING CONTACTS.
- F. THE UP-GRADING OF OFFICIAL RELATIONS.
4. THERE HAVE BEEN SUGGESTIONS FOR SECRET TALKS. THE BRITISH GOVERNMENT WOULD NOT WELCOME SUCH A PROCEDURE, SEEING NO NEED TO CLOAK IN SECRECY MEETINGS ABOUT THE NORMALISATION OF BILATERAL RELATIONS. MOREOVER, THERE WOULD BE SERIOUS DANGERS OF MISUNDERSTANDING IF THERE WERE TO BE CLANDESTINE DISCUSSIONS, AND WORD OF THESE WERE TO LEAK.
5. REGARDING PRESENTATION, SIR GEOFFREY HOWE HAS SAID PUBLICLY THAT BOTH SIDES ARE DEVELOPING A WILL TO BEGIN TAKING STEPS TOWARDS RESTORING A NORMAL RELATIONSHIP. IF BRITISH SPOKESMEN ARE ASKED ABOUT THE PRESENT SWISS APPROACH TO THE GOVERNMENT OF ARGENTINA, THEY PROPOSE TO CONFIRM IN GENERAL TERMS THAT MEANS OF CARRYING THIS PROCESS FORWARD ARE BEING EXPLORED. BUT THE SWISS AND BRITISH GOVERNMENTS HAVE NO INTENTION OF STIMULATING PUBLICITY AT THIS EARLY STAGE. THE PUBLIC PRESENTATION OF TALKS BETWEEN BRITISH AND ARGENTINE OFFICIALS CAN BE DISCUSSED ONCE TERMS OF REFERENCE HAVE BEEN AGREED.
6. THE BRITISH GOVERNMENT LOOK FORWARD TO KNOWING THE VIEWS OF THE GOVERNMENT OF ARGENTINA ON THESE SUGGESTIONS. THEY CONSIDER IT MOST IMPORTANT TO FOLLOW UP THE EXCHANGE OF MESSAGES THROUGH EXCHANGES IN AREAS ON WHICH IT IS REALISTIC TO EXPECT EARLY PROGRESS. THE BRITISH GOVERNMENT HOPE THAT THIS CAN LEAD TO THE ESTABLISHMENT OF A RENEWED CLIMATE OF MUTUAL CONFIDENCE IN WHICH OUR RELATIONS CAN BE MANAGED IN A PRACTICAL AND PRODUCTIVE WAY. ENDS.

HOWE

FALKLAND ISLANDS GENERAL
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UNOFFICIAL TRANSLATION OF ARGENTINE NOTE HANDED TO THE SWISS
AMBASSADOR IN BUENOS AIRES ON 17 FEBRUARY 1984

Mr Ambassador,

I have the honour to ask Your Excellency to bring the following reply to the attention of the British Government:

'The Argentine Government, inspired by its dedication to peace, favours contacts which might mean a first exchange of ideas leading to the opening of substantive negotiations at the appropriate time. It follows from a realistic appraisal of the totality of relations between Argentina and the United Kingdom that those substantive negotiations cannot overlook the vital subject of sovereignty if a complete solution to the dispute is to be achieved. Such negotiations about sovereignty over the Falkland Islands [Malvinas], South Georgia and South Sandwich Islands must be held within the framework of the relevant United Nations resolutions, with ^{the} participation ['intervencion'] of the Secretary General as envisaged in those resolutions. A global negotiation such as that proposed by the Argentine Government would also give due consideration to the interests of the inhabitants of the Islands and likewise to the subject of economic and scientific-technological co-operation in the area. It must be made clear that the Argentine Government wishes to remove the obstacles which impede the normalisation of relations between the two countries, and understands that the aim of that normalisation is a return to the pre-conflict situation in all its dimensions. In this connexion the proposed plan does not add anything substantially new to those issues which were expressly endorsed in the joint Argentine-British communiqué of 26 April 1977.

'As will be known, that communiqué was brought to the attention of the international community through parallel notes presented by the Permanent Representatives of the Argentine Republic and the United Kingdom at the United Nations in June 1977.

"The Argentine Government has analysed with great interest the British Government's proposal of 26 January 1984 in which they suggest an agenda to include the following points:

- (A) The reciprocal lifting of restrictions on trade between the United Kingdom and Argentina.
- (B) The lifting of existing financial restrictions.
- (C) Arrangements for the transfer of the Argentine dead from the Islands, or, in the absence of this, for a visit by next-of-kin.
- (D) The reactivation of the air services agreement between the two countries.
- (E) The resumption of cultural, scientific and sporting contacts.
- (F) The raising of the level of official relations.

"The Argentine Government considers that this British initiative constitutes a positive step insofar as it suggests the possibility of an exchange of ideas at official level which could lead towards the progressive normalisation of relations between the two countries.

"Recognising the desirability of examining these questions in depth, the Argentine Government is persuaded that other unavoidably important questions which exist between the two countries, and which require immediate attention, must also be included.

"It therefore believes that it is essential to add the following subjects:

- (A) The lifting of the Protection Zone [sic] which the United Kingdom purports to have established in the South Atlantic.
- (B) A halt to the fortification of the Islands, to the construction of the strategic airfield and to the warlike concentration in the area.
- (C) Guarantees that nuclear weapons or artifacts will be withdrawn from the region.

"An agenda comprising the subjects proposed by Argentina and the United Kingdom could then permit contacts to begin.

/'Similarly,

"Similarly, the Argentine Government wishes to convey to the United Kingdom the spirit in which it is approaching the problem of bilateral relations. In this connection, the Argentine Government:

- (1) Attaches very great importance to the definitive normalisation of relations between the Argentine Republic and the United Kingdom.
- (2) Considers that to achieve this, it is essential - and this is its wish - to put an end, through peaceful means, to the dispute over the Falkland Islands [Malvinas], South Georgia and South Sandwich Islands.
- (3) Also agrees about the undesirability of secret meetings, negotiations or talks, it being a fundamental point of its foreign policy to keep public opinion informed in accordance with the democratic style which has been restored in the Argentine Republic.
- (4) Considers that at the present time it would be highly desirable to explore the matter sincerely and in good faith, taking into account all the elements involved and thus enabling each side to assess the future prospects for a formal negotiation.
- (5) Considers, as has been previously indicated, that the presence of United Nations peace-keeping forces in the Islands, in place of other military forces, would serve to re-establish a better atmosphere in the area and safeguard the security of the inhabitants.
- (6) Considers that in order to fulfil a determined wish to put a final end to the division existing between the two countries the most advisable course would be to hold a preliminary and open exchange of ideas, at an appropriate time informing the Secretary General of the United Nations of the content thereof. These informal exchanges would pave the way towards subsequent negotiations which would be held in the presence of the Secretary General of the United Nations by virtue of the mandate of good offices received from the General Assembly."

With my warm respects to Your Excellency,

(signed Caputo).



SWITZERLAND: POLITICAL BACKGROUND

1. Switzerland has had a wide-based coalition government for many years, composed of Social Democrats (Socialists), Radicals, Christian Democrats and the Centre Democrats Union (Agrarians). The coalition remained unchanged by the elections in October 1983. The seven members of the Cabinet (Federal Council) represent a broad spectrum of political opinion and a balance between the major cantons and the three main language communities. The post of President rotates annually within the Cabinet. Dr Leon Schlumpf in his capacity as President of the Federal Council for 1984, has a largely ceremonial function. He is also Federal Councillor with responsibility for transport, communications and energy. The Swiss play an active international role, for example at the CSCE/CDE Conferences and a prominent and helpful part in the NNA. The Federal Councils's decision in favour of UN membership is currently going through a process of Parliamentary consultation which will culminate in a national referendum, possibly in 1985.

2. Switzerland is politically very stable. The last Federal elections in October 1983 produced no significant changes apart from a slight move to the right. A number of cantonal elections took place earlier last year, when there was a general swing to the right at the expense of the moderate left, with the Socialist party the biggest losers. The Socialists have suffered both from inter-faction rivalry and previous policies widely seen as too sympathetic to the Soviet bloc. At their Party Congress on 11-12 February, the Socialists decided against withdrawing from the coalition, which some of their more radical members wanted.

3. Although Swiss economic activity has slowed in line with the world recession, inflation remains very low and is currently 3.3%. There is virtually full employment. Improved international prospects and the strong Swiss Franc indicate renewed economic growth in 1984.



4. Anglo-Swiss relations are good. As the nation representing British interests in Buenos Aires, the Swiss have been outstandingly helpful over the Falklands. The Queen paid a State Visit to Switzerland in May 1980. M. Aubert visited the UK for talks with Lord Carrington in November 1980 and has accepted an invitation to come again on 1-3 April 1984. The Prime Minister visited CERN and the ICRC in Geneva on 12 August 1982 at the beginning of a holiday in Switzerland. Lord Belstead visited Switzerland in September 1982 and Lord Cockfield in May 1983.

FOREIGN AND COMMONWEALTH OFFICE

29 March 1984



AUBERT, PIERRE

Federal Councillor, Socialist, in charge of Federal Department of Foreign Affairs.

Born La Chaux-de-Fonds (Neuchâtel) 1927. Studied law at Universities of Neuchâtel and Heidelberg. Private law practise La Chaux-de-Fonds 1953. Joined Socialist Party in 1958, member of La Chaux-de-Fonds Communal Council 1960-68, and its President 1967-68. Also member of Neuchâtel Cantonal Parliament 1961-75 and its President 1969-70. States Councillor from 1971 until his election to the Federal Council in December 1977.

On assuming the foreign affairs portfolio, Aubert made clear his desire to see Switzerland a full member of the United Nations and for the country to play a more active part in the world's affairs. He has tended to play a more purposeful role in the conduct of Switzerland's foreign relations than his predecessors, despite opposition from many of his colleagues. His first year in office was notable for the number of visits paid to and by his foreign counterparts.

Aubert has a relaxed style and humour. He is a keen musician. A French speaker, he also has a good command of German, but speaks virtually no English. He is married and has two children.

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PRIORITY FCO

TELNO 98 OF 22 MARCH

VISIT OF PIERRE AUBERT

SUMMARY

1. MAIN DEVELOPMENT IN SWISS/ BRITISH RELATIONS SINCE AUBERT'S LAST VISIT THE SWISS ROLE IN ARGENTINA. HIS RECENT SUCCESSES ON PROPOSED SDP WITHDRAWAL FROM COALITION AND ON UN QUESTION. HIS REPUTATION AND PERSONALITY. SWISS ARMED NEUTRALITY COMPATIBLE WITH WESTERN ASSOCIATIONS. SOME COMMENTS ON THE AGENDA. VISIT AN OPPORTUNITY TO INCREASE AUBERT'S AWARENESS OF BRITAIN AND DEMONSTRATE OUR INTEREST IN RELATIONS WITH SWITZERLAND.

DETAIL

2. FOLLOWING BACKGROUND POINTS AND REFLECTIONS MAY I HOPE BE OF SOME ASSISTANCE TO YOU AND OTHER MINISTERS WHO WILL BE INVOLVED WITH FEDERAL COUNCILLOR'S VISIT.

3. AUBERT MADE A SIMILAR VISIT TO LONDON IN NOVEMBER 1980 AND HAD TALKS WITH LORD CARRINGTON AND MR HURD. THE RECORDS ~~AND~~ THE ADVICE BY MY PREDECESSOR SUGGEST THAT ANGLO-SWISS RELATIONS HAVE NOT GREATLY CHANGED IN THE INTERVENING 3 1/2 YEARS. THERE HAS HOWEVER BEEN ONE IMPORTANT ADDITIONAL ELEMENT SINCE SWITZERLAND TOOK ON THE PROTECTION OF BRITISH INTERESTS IN ARGENTINA IN APRIL 1982, WHICH HAS BROUGHT A SUBSTANTIAL INCREASE IN OUR DIPLOMATIC BUSINESS WITH THE SWISS AT ALL LEVELS. ON THIS SUBJECT AS ON A WIDE RANGE OF POLITICAL, DEFENCE AND ECONOMIC MATTERS WE BENEFIT FROM CLOSE COOPERATION AND FRANK EXCHANGES WITH THE SWISS AUTHORITIES WHO DO NOT CONSIDER THEIR HISTORIC POLICY OF ARMED NEUTRALITY AS IN ANY WAY INCOMPATIBLE WITH MEMBERSHIP OF THE WESTERN COMMUNITY.

4. ONE OBJECTIVE DURING AUBERT'S VISIT WILL I SUBMIT BE TO DEMONSTRATE THAT ON THE BRITISH SIDE THE IMPORTANCE OF OUR RELATIONS WITH SWITZERLAND IS APPRECIATED BY MINISTERS. THE EXTENT OF OUR COMMERCIAL RELATIONS IS GENERALLY ACKNOWLEDGED. THIS VISIT WILL I HOPE SHEW THAT OUR POLITICAL RELATIONS ARE ALSO CLOSE AND IMPORTANT TO BOTH COUNTRIES.

5. AUBERT HAS BEEN A CENTRAL FIGURE IN THE TWO MOST IMPORTANT PUBLIC EVENTS IN SWITZERLAND DURING THE EARLY MONTHS OF 1984:-

(A) THE SPECIAL CONGRESS OF THE SOCIAL DEMOCRATIC PARTY IN FEBRUARY SEMI COLON

(B) THE NATIONAL COUNCIL'S VOTE IN FAVOUR OF SWISS MEMBERSHIP OF THE UNITEDNATIONS ON 15 MARCH.

6. WHEN YOU FIRST ISSUED YOUR INVITATION TO M. AUBERT TO COME TO LONDON AS YOUR GUEST, HE WAS RELUCTANT TO MAKE ANY OFFICIAL COMMITMENT UNTIL AFTER THE QUADRENNIAL ELECTIONS OF THE FEDERAL COUNCIL ON 7 DECEMBER, NOT WISHING TO PRESUME HIS REELECTION. IN THE EVENT HE WAS REELECTED BY A RESPECTABLE MAJORITY BUT THE SOCIAL DEMOCRATIC PARTY REACTED VERY BADLY TO THE NATIONAL ASSEMBLY'S REJECTION FOR THE PARTY'S OTHER SEAT OF LILIAN UCHTENHAGEN AND ELECTION INSTEAD OF OTTO STICH. THE SPECIAL PARTY CONGRESS (A REARE EVENT) WAS HELD ON 11 AND 12 FEBRUARY TO DECIDE WHETHER THE PARTY SHOULD WITHDRAW FROM THE GOVERNMENT. AUBERT WAS AMONG THE LEADING PROTAGONISTS OF STAYING IN AND THE DECISION TO DO SO (BY 773 VOTES TO 511) HAS ENABLED HIM TO CONTINUE IN OFFICE AND OWES SOMETHING TO HIS INFLUENCE.

7. THE DECISION OF THE NATIONAL COUNCIL IN FAVOUR OF SWITZERLAND JOINING THE UNITED NATIONS IS AN IMPORTANT STAGE IN A PROCESS WHICH AUBERT PERSONALLY INITIATED SOON AFTER TAKING UP HIS PRESENT OFFICE IN 1977. THE UPPER HOUSE HAS STILL TO PRONOUNCE AFTER WHICH THERE WILL BE A REFERENDUM, THE OUTCOME OF WHICH IS QUITE UNCERTAIN, BUT IT IS NOT IMPOSSIBLE THAT AUBERT WILL GO DOWN IN HISTORY AS THE MAN PRIMARILY RESPONSIBLE FOR TAKING SWITZERLAND INTO THE UN, WHICH WOULD REPRESENT AN IMPORTANT NEW DEPARTURE IN SWISS ATTITUDES.

8. NOTWITHSTANDING THESE ACHIEVEMENTS, AUBERT REMAINS A RATHER TENSE AND HIGHLY-STRUNG INDIVIDUAL WHOSE SENSIBILITIES ARE SOMEWHAT DELICATE AND NEED TO BE HANDLED WITH CARE. POSSIBLY FOR THIS REASON, BUT ALSO BECAUSE OF MISTRUST OF HIS SOCIALIST POLITICS, MILD THOUGH THESE BE, HE IS NOT A VERY POPULAR FIGURE IN HIS OWN COUNTRY. HE IS HOWEVER INCREASINGLY ACCEPTED AND EVEN RESPECTED NOW THAT HE NO LONGER GIVES THE IMPRESSION OF TRYING AT LEAST BY SWISS STANDARDS TO DO TOO MUCH TOO SOON.

9. THE AGENDA PREPARED FOR AUBERT'S TALKS IN LONDON FAIRLY REFLECTS THE RANGE OF SWISS FOREIGN POLICY CONCERNS AND PREOCCUPATIONS. FOR AUBERT PERSONALLY THE COUNCIL OF EUROPE HAS A MUCH HIGHER PRIORITY THAN IS USUALLY GIVEN TO THIS INSTITUTION BY BRITISH MINISTERS AND IT HAS LONG BEEN HIS OBJECTIVE, WHICH HE WILL PROBABLY TAKE UP IN LONDON, TO RAISE

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THE LEVEL AND SCOPE OF ITS PROCEEDINGS. HE HAS NOT BEEN PERSONALLY INVOLVED IN OUR ARGENTINIAN BUSINESS UNTILL CAPUTO'S RECENT VISIT TO BERNE BUT IS NOW FOCUSSED ON IT AND WILL BE ANXIOUS TO HEAR YOUR VIEWS ON THIS SUBJECT BUT NOT TO DISCUSS TEXTS. NO DOUBT HE WILL ALSO HOPE TO HEAR HOW MINISTERS IN LONDON SEE THE PROSPECTS FOLLWING THE BRUSSELS COUNCIL.

10. IN GENERAL ECONOMIC QUESTIONS ARE NOT AUBERT'S STRONG SUIT. THERE IS HOWEVER ONE IMPORTANT BILATERAL MATTER ON WHICH WE SHOULD NOT OMIT TO RECORD OUR INTEREST SINCE AN OMISSION TO DO SO MIGHT BE MISCONSTRUED. THE CONTRACT FOR THE NEW SWISS ARMY LIGHT VEHICLE IS EXPECTED TO BE AWARDED IN APRIL AND WILL INVOLVE SEVERAL THOUSAND VEHICLES. LAND ROVER ARE FACING STIFF COMPETITION FROM STEYR-PUCH-DAIMLER FOR WHICH THE AUSTRIAN CHANCELLOR MADE A STRONG PITCH DURING HIS OFFICIAL VISIT TO SWITZERLAND LAST WEEK. IT WOULD BE SUFFICIENT MERELY TO REGISTER BRITISH GOVERNMENT'S HOPE THAT SWISS WILL CHOOSE LAND ROVER.

11. FINALLY IT MUST BE SAID THAT THE UK LIKE NORTHERN EUROPE IN GENERAL HAS HITHERTO BEEN SOMETHING OF A BLIND SPOT WITH AUBERT. THIS IS NOT TYPICAL OF THE SWISS AND MAY BE DUE TO HIS HAVING NO UNDERSTANDING OF THE ENGLAISH LANGUAGE. IT WOULD BE A VALUABLE ACHIEVEMENT IF THIS VISIT OPENED HIS HORIZON IN OUR DIRECTION.

POWELL-JONES

LIMITED
WED
PROTOCOL. D.
NEWS. D
PS
PS/LADY YOUNG
SIR. J. BULLARD
MR. JENKINS.

THIS TELEGRAM
WAS NOT
ADVANCED

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10 DOWNING STREET

From the Private Secretary

21 March 1984

Visit of Swiss Foreign Minister

Thank you for your letter of 21 March about M. Aubert's visit. I agree with the arrangements which you propose.

A. J. COLES

Roger Bone, Esq.,
Foreign and Commonwealth Office.

NR



Foreign and Commonwealth Office

London SW1A 2AH

21 March 1984

See John,

Visit of M. Aubert, Swiss Foreign Minister: 2 April

M. Aubert is paying an official visit to the UK from 1 - 3 April. The Prime Minister has agreed to see him on Monday 2 April at 1030, for half an hour. He will be holding separate talks later that day with Sir Geoffrey Howe and Lady Young.

The Swiss Embassy have told us that M. Aubert would like to be accompanied by the Swiss Ambassador, M. Francois-Charles Pictet; his Chef de Cabinet, M. Philippe Jaccard; and if the Prime Minister agrees also by Ambassador Ritter, the Director of Planning at the Ministry of Foreign Affairs. On our side the Foreign and Commonwealth Secretary would like to attend, together with HM Ambassador at Berne, Mr Powell-Jones.

M. Aubert speaks no English, so interpretation will be necessary. Mr Anthony Lawrence will interpret for the Prime Minister, and M. Jaccard for the Swiss.

We expect that M. Aubert will wish to hear the Prime Minister's views on major international issues. For our part, the main point to get across is appreciation at the constructive role the Swiss are playing in looking after our interests in Buenos Aires. No doubt M. Aubert will be interested to know how the Prime Minister sees our relations with Argentina developing. We would propose to provide briefing on these questions nearer the time.

I should be grateful to know whether you approve these arrangements so that we can put them to the Swiss.

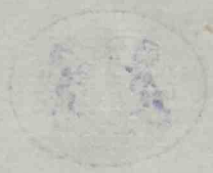
John Bone

(R B Bone)
Private Secretary

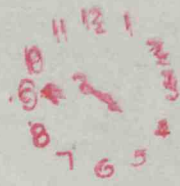
A J Coles Esq
10 Downing Street

British Antarctic Survey

High Cross, Madingley Road, Cambridge CB3 0ET



21 MAR 1984



bcc Caroline

HL

19 January 1984

Visit to the UK of the Swiss Foreign Minister

Thank you for your letter of 13 January.

The Prime Minister could receive M. Aubert
at 1030 on 2 April.

JOHN COLES

Roger Bone, Esq.,
Foreign and Commonwealth Office.

HL



Prime Minister

Foreign and Commonwealth Office

London SW1A 2AH

This is marginal - and in accordance with our attempt to limit marginal foreign visitors I would rather excuse you.

13 January 1984

Do you wish to see him at 10.30 on 2 April?

Yes not

A.S.C. 17.

Visit to the UK of the Swiss Foreign Minister

M. Aubert, the Swiss Foreign Minister, has accepted an invitation from the Secretary of State to visit London from 2-3 April.

Ministerial exchanges with the Swiss are infrequent. The last official visit by a Swiss Foreign Minister was in 1972 and to Berne by the Secretary of State FCO, in 1973. The Swiss have been very helpful to us over the Falklands and in looking after our interests in Buenos Aires. Most recently they transmitted the Prime Minister's message to President Alfonsin on the occasion of his inauguration for which the Secretary of State sent a personal message of thanks. This will therefore be an excellent opportunity to express our gratitude for their work on our behalf over the past 18 months. During that period M. Aubert, at the same time as being Foreign Minister, was also Vice-President (1982) and President (1983) of the Swiss Confederation (the post rotates on an annual basis).

Our Ambassador in Berne has asked whether M. Aubert might be received briefly by the Prime Minister. Sir Geoffrey does not consider a call essential, but agrees that if the Prime Minister would like to see him, the gesture would be greatly appreciated.

(R B Bone)
Private Secretary

A J Coles Esq
10 Downing Street

Grey Scale #13



A 1 2 3 4 5 6 M 8 9 10 11 12 13 14 15 B 17 18 19



Inches 1 2 3
Centimetres 1 2 3 4 5 6 7 8

Colour Chart #13

Blue Cyan Green Yellow

