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PART 8

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Prime Ministers Meetings with Chancellor Kohl in GERMANY

GERMANY

Part 1: June 1980
Part 8: April 1989

Referred to	Date	Referred to	Date	Referred to	Date	Referred to	Date
~~11.4.89~~							
~~25.4.89~~							
~~1.5.89~~							
~~12.91~~							
~~4.2.91~~							
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~~25/2/91~~							
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Part ends

● PART 8 ends:-

CDP to FCO 28 2 91

PART 9 begins:-

SH to PM 5.3.91

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10 DOWNING STREET
LONDON SW1A 2AA

From the Private Secretary

28 February 1991

Dear Richard,

ANGLO-GERMAN SUMMIT: MINISTERIAL AND OFFICIAL ATTENDANCE

Thank you for your letter of 28 February about Ministerial and official attendance at the Anglo-German Summit. I am content with what is proposed. I understand the Chancellor and Herr Waigel have agreed not to take part on this occasion.

I am sure the Prime Minister would be prepared to take questions after his speech, but I think you have been too generous in the allocation of time. I would plan on the speech lasting 20-25 minutes followed by half an hour of questions, with the entire session wrapped up in one hour.

I am copying this letter to the recipients of yours.

Yours sincerely,

(C. D. POWELL)

Richard Gozney, Esq.,
Foreign and Commonwealth Office.

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Foreign & Commonwealth Office

London SW1A 2AH

28 February 1991

Dear Charles,

Anglo-German Summit, 11 March: Ministerial and Official Attendance

I enclose an updated outline programme for the Summit. Chancellor Kohl has indicated that he will speak for five minutes at the lunch and hopes the Prime Minister will respond. We will let you have notes on which the Prime Minister could draw.

The Konrad Adenauer Stiftung have asked whether the Prime Minister would be prepared to take questions after the speech. If the speech lasted 30 minutes, and there were 45 minutes of questions, the session would end at about 1915. Would this be acceptable?

The Prime Minister has agreed that the Foreign, Defence and Trade and Industry Secretaries, the Minister of Agriculture and the Minister for Overseas Development should attend the Anglo-German Summit. The Germans have agreed on corresponding attendance. The Chancellor's office are discussing with Herr Waigel's whether to attend. We suggest that the Prime Minister and other Ministers might be accompanied by the following officials.

No 10 Downing Street

Mr C D Powell	Private Secretary
Mr A T O'Donnell	Chief Press Secretary

Foreign and Commonwealth Office

Mr R H T Gozney	Private Secretary
Mr P J Weston, CMG	Deputy Under-Secretary (Political Director)

Overseas Development

Mr S Chakrabarti	Private Secretary to Mrs Chalker
Mr M Wickstead	Head of European Community or and Food Aid Department
Mr P Freeman	Head of Aid Policy Department

Ministry of Defence (Subject to confirmation)

Mr S J Webb	Private Secretary
Mr R C Mottram	Deputy Under Secretary

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ANGLO-GERMAN SUMMIT: 11 MARCH

OUTLINE PROGRAMME

1300	Delegation arrives at Kanzleramt. Lunch (short speeches).
1430 - 1545	Talks between Prime Minister and Chancellor Kohl and other pairs of Ministers at Kanzleramt and Palais Schaumburg. (Foreign Ministers and Defence Ministers may meet at their respective ministries.)
[?	Joint session of Foreign and Defence Ministers.]
1600 - c 1700	Plenary Session at Kanzleramt.
1700 - 1730	Press Conference at Kanzleramt.
1800	Prime Minister's speech at Konrad Adenauer Haus. Other Ministers depart for UK.
1915?	Leave Konrad Adenauer Haus (Departure earlier if no questions session).

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Department of Trade and Industry

Mr M E Stanley	Private Secretary
Mr N R Thornton	Deputy Secretary

MAFF

Mr T D Rossington	Private Secretary
Mr R J Packer	Deputy Secretary

I should be grateful for confirmation that this is acceptable.

I am copying this letter to Simon Webb (MOD), Martin Stanley (DTI), Andy Lebrecht (MAFF), John Gieve (HM Treasury), Suma Chakrabarti (ODA) and Sonia Phippard (Cabinet Office).

Yours ever,

(R H T Gozney)
Private Secretary

Sir Charles Powell KCMG
10 Downing Street

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MODUK FOR DUS (P)

MY IPT: UK/FRG SUMMIT II MARCH: EUROPEAN SECURITY AND DEFENCE

SUMMARY

1. AIM SHOULD BE TO GET KOHL AND GENSCHER TO JOIN IN A PUBLIC STATEMENT THAT BUILDING A EUROPEAN DEFENCE IDENTITY MUST STRENGTHEN EUROPEAN SECURITY, WHICH MEANS REINFORCING NATO AND THE AMERICAN COMMITMENT TO EUROPE. SOME PROCEDURAL IDEAS.

DETAIL

2. WE SHOULD USE THE OPPORTUNITY OF THE BILATERAL SUMMIT TO COMMIT THE GERMANS PUBLICLY TO A LINE WHICH WOULD REDUCE THE RISK OF GERMAN SLIPPAGE TOWARDS FRENCH AMBITIONS FOR EUROPEAN DEFENCE SEPARATE FROM NATO. THIS COULD TAKE THE FORM OF PUBLIC AGREEMENT THAT IT IS A FUNDAMENTAL PRINCIPLE THAT A EUROPEAN DEFENCE IDENTITY MUST STRENGTHEN EUROPEAN SECURITY, WHICH MEANS REINFORCING NATO AND THE AMERICAN COMMITMENT TO EUROPE. THE CONTEXT IS FAVOURABLE. THE AMERICANS HAVE BEEN MAKING KNOWN HERE THEIR ANXIETIES ABOUT THE FRANCO-GERMAN PAPER. KOHL CAN BE EXPECTED TO AGREE THAT THE EUROPEANS MUST FIND ANSWERS WITH WHICH THE AMERICANS CAN LIVE HAPPILY AND THAT TRANS ATLANTIC DIALOGUE SHOULD GET GOING. STOLTENBERG IS LIKELY TO BE SUPPORTIVE. GENSCHER IS SOMETHING OF AN UNKNOWN QUANTITY AND ALWAYS LIABLE TO BE INFLUENCED BY A FRENCH LINE. BUT HE IS TO VISIT THE US IN MARCH AND WILL PRESUMABLY WISH TO MAKE THE RIGHT NOISES BEFOREHAND.

3. ON THE ASSUMPTION THAT THERE WILL AS USUAL BE BILATERALS BETWEEN DEPARTMENTAL MINISTERS, REPORTING TO HEADS OF GOVERNMENT IN PLENARY, THERE WOULD SEEM TO BE TWO PROCEDURAL ALTRNATIVES:

(A) MR KING MIGHT SEEK TO PERSUADE STOLTENBERG AND YOU GENSCHER THAT THEY SHOULD REPORT IN THE PLENARY A JOINT CONCLUSION ON THE LINES IN PARA 2. THE PRIME MINISTER COULD ENDORSE THIS AND INVITE

KOHL TO AGREE THAT THIS JOINT VIEW BE BROUGHT OUT AT THE PRESS CONFERENCE.

(B) AFTER SEPARATE MEETINGS BETWEEN THE FOREIGN MINISTERS AND DEFENCE MINISTERS, THE FOUR OF THEM COULD MEET TO TAKE THE EUROPEAN SECURITY ITEM. SUCH QUADRILATERAL SESSIONS, THOUGH NOT PREVIOUSLY A FEATURE OF ANGLO-GERMAN SUMMITS, ARE A REGULAR FEATURE OF FRANCO-GERMAN SUMMITS AND WEU IS AN EMINENTLY SUITABLE TOPIC. I WOULD SEE SOME ADVANTAGE FROM OUR POINT OF VIEW (AND WE KNOW FMOD WOULD AGREE). GENSCHER MIGHT WELL RESIST THE IDEA (HE DID WHEN WE LAST SUGGESTED IT). BUT IF YOU THOUGHT IT WORTH IT, WE COULD HAVE ANOTHER TRY AT CREATING THE PRECEDENT WHICH COULD BE USEFUL IN FUTURE.

4. GRATEFUL TO KNOW IF YOU WISH US TO PUT THE PROCEDURAL PROPOSAL IN 3(B) TO THE GERMANS. IF WE ARE TO DO SO, IT SHOULD BE REASONABLY SOON.

MALLABY

YYYY

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FRAME GENERAL
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UK/FRG SUMMIT: 11 MARCH: OVERALL OBJECTIVES

SUMMARY
1. SUGGESTED OBJECTIVES, AND POSSIBLE THEMES FOR PLENARY AND PRESS CONFERENCE.

DETAIL
2. I SUGGEST THAT OUR MAIN OBJECTIVES SHOULD BE AS FOLLOWS:

(A) TO DEMONSTRATE PUBLICLY THAT THE WARM FRIENDSHIP BETWEEN THE PRIME MINISTER AND CHANCELLOR KOHL APPLIES TO THE BILATERAL RELATIONSHIP MORE WIDELY.

(B) TO DISPLAY UNITY OVER THE GULF.

(C) TO MAKE PROGRESS OVER OUR KEY IGC OBJECTIVES (MY 3 IFTS) .

(D) TO DRAW ATTENTION TO OUR EFFORTS TO DEVELOP UK LINKS WITH EASTERN GERMANY.

(E) TO SECURE AS MANY CONCRETE POINTS OF BILATERAL AGREEMENT AS POSSIBLE, PAYING DUE ATTENTION TO THE SCOPE FOR PUBLICITY.

3. POSSIBLE THEMES FOR EMPHASIS DURING THE PLENARY AND PRESS CONFERENCE ARE:

(I) AGREEMENT ON THE GULF.

(II) JOINT POSITION THAT CFSP SHOULD BE CONSTRUCTED IN SUCH A WAY THAT IT STRENGTHENS NATO AND UPHOLDS THE AMERICAN BOND.

(III) AGREEMENT THAT CLOSE BILATERAL CONSULTATION WILL CONTINUE OVER EMU (GENERALITIES PREFERABLE FOR THE PLENARY AND IMPORTANT AT THE PRESS CONFERENCE. RECENT FINANCIAL TIMES STORIES SUGGESTING ANGLO-GERMAN COLLUSION OVER SLOW DOWN HAVE BEEN ACTIVELY UNHELPFUL.)

(IV) BRITISH ACTIVITY IN EASTERN GERMANY, BOTH COMMERCIAL AND EDUCATIONAL/CULTURAL (I GATHER THERE MAY SOON BE A PROPOSAL FOR MR GUMMER TO LEAD A TEAM OF BUSINESSMEN TO EASTERN GERMANY. I WOULD VERY MUCH WELCOME THAT. I WOULD LIKE TO OFFER VIEWS ABOUT OPENING A CONSULATE GENERAL IN LEIPZIG - SOMETHING WHICH COULD POSSIBLY ALSO BE ANNOUNCED - WHEN I HAVE SEEN THE DEPARTMENT'S LATEST VIEWS AND HAVE BEEN ABLE TO TAKE STOCK MYSELF FOLLOWING MY VISIT TO LEIPZIG ON 25-27 FEBRUARY. ON THE POSSIBILITY OF ESTABLISHING A BRITISH INSTITUTE AT AN EAST GERMAN UNIVERSITY, SEE DINWIDDY'S LETTER TO ELAM OF 19 FEBRUARY.

(V) THE IMPORTANCE OF BRITAIN AND GERMANY WORKING CLOSELY TOGETHER OVER POLICY TOWARDS THE SOVIET UNION AND EASTERN EUROPE (MY LETTER OF 11 FEBRUARY TO WESTON. THIS WOULD MATCH THE FRANCO-GERMAN AGREEMENT AT THEIR MUNICH SUMMIT IN SEPTEMBER).

(VI) AGREEMENT ON THE NEED FOR TIGHTER AND BETTER ENFORCED EXPORT CONTROLS ON MILITARY EQUIPMENT, EMPHASISING MULTILATERAL COOPERATION OVER CW, BW AND MISSILE AND NUCLEAR TECHNOLOGY: AND TO COOPERATE OVER THE IMPLICATIONS OF THE RAPE OF KUWAIT FOR THE FUTURE OF CONVENTIONAL ARMS SALES TO CERTAIN REGIONS (IF CHEMICAL WEAPONS HAVE BEEN USED IN THE GULF BEFORE 11 MARCH, THAT WILL BOTH INCREASE GERMAN SENSITIVITIES AND STRENGTHEN THEIR WISH TO BE INVOLVED IN MULTILATERAL ACTIVITY IN THIS AREA).

(VII) AGREEMENT THAT OFFICIALS SHOULD DRAW UP A REPORT MATCHING BAOR'S TRAINING REQUIREMENTS IN GERMANY AGAINST POSSIBLE ALTERNATIVE TRAINING AREAS TO SOLTAU-LUENEBURG (MY TELNO 183). THE LINE ON THIS FOR THE PRESS CONFERENCE SHOULD BE RETICENT AND WILL REQUIRE PARTICULARLY CAREFUL ADVANCE CONSULTATION.

(VIII) THE INTEREST BOTH COUNTRIES HAVE IN RESISTING THE COMMISSION'S WISH (EXPRESSED IN THE MACSHARRY PROPOSALS) TO SECURE REGULATIONS IN EFFECT DISCRIMINATING AGAINST LARGE FARMS (PLENARY ONLY: KOHL AND KIECHLE MAY NOT WISH TO DEFEND THIS POSITION IN PUBLIC).

(IX) THE PLAN TO ESTBALISH A BILATERAL EXCHANGE SCHEME FOR

VOCATIONAL TRAINEES (SUBJECT TO CONFIRMATION FROM THE DEPARTMENT OF EMPLOYMENT).

4. PLEASE ADVANCE:

(A) IN THE FCO TO MACGLASHAN (WED), GOMERSALL (SECPOL), ARTHUR (ECD), ELAM (CRD), LYNE (SOVIET), HULSE (EED), REEVE (COMED), NOAKES (NPPD), MADDEN (SED).

(B) DAVID (DE), CARDEN (MAFF), CASSELL (GS SEC, MOD), BOSTOCK (TREASURY), AND PARKER (CABINET OFFICE)

MALLABY

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10 DOWNING STREET
LONDON SW1A 2AA

THE PRIME MINISTER

25 February 1991

Dear Mr. Mayor,

Thank you for your letter of 8 February and for the hospitality I received during my most enjoyable visit to Munster. I was sorry not to have had the pleasure of meeting you but entirely understand the reason for your absence.

I greatly appreciate your words of support for our servicemen and their families during the present crisis in the Gulf. Your solidarity at such a time further strengthens the bonds between our two countries. The twinning of towns such as Munster and York provides an invaluable way of promoting ties of friendship and understanding - ties which I am confident will become even stronger in the future.

Please convey my thanks to your Council and Administration for their support, encouragement and hospitality.

Yours sincerely,

John Major

Dr Jorg Twenhoven

KW

R 22/2

Foreign &
Commonwealth
Office

London SW1A 2AH

22 February 1991

Dear Charles,

Mayor of Münster's letter to the Prime Minister

Thank you for your letter of 12 February covering the letter which the Prime Minister has received from the Mayor of Munster. I enclose a translation. The Mayor conveys the support felt in Munster for the servicemen of Britain and other countries during the present conflict, and emphasises the strong links which exist between Munster and York, its twin town in Britain.

I enclose a draft reply. We can arrange for the letter to be delivered by the Embassy in Bonn.

Yours ever,

Christopher Prentice

(C N R Prentice)
Private Secretary

Sir Charles Powell
10 Downing Street

DRAFT LETTER FROM THE PRIME MINISTER TO
THE MAYOR OF MUNSTER

TG

SCANNED

Thank you for your letter of 8 February and for the hospitality I received during my most enjoyable visit to Munster. I was sorry not to have had the pleasure of meeting you but entirely understand the reason for your absence.

I greatly appreciate your words of support for our servicemen and their families during the present crisis in the Gulf. Your solidarity at such a time further strengthens the bonds between our two countries. The twinning of towns such as Munster and York provides an invaluable way of promoting ties of friendship and understanding - ties which I am confident will become even stronger in the future.

Please convey my thanks to your Council and Administration for their support, encouragement and hospitality.

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File to Foreign/Travel

10 DOWNING STREET

LONDON SW1A 2AA

From the Private Secretary

22 February 1991

ANGLO-GERMAN SUMMIT, 11 MARCH

Thank you for your letter of 22 February about travel arrangements for the Anglo-German Summit on 11 March. These are fine, and I should be grateful if the necessary arrangements could be made.

C.D. POWELL

Richard Gozney, Esq.,
Foreign and Commonwealth Office.

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CONFIDENTIAL

Foreign & Commonwealth Office

London SW1A 2AH

22 February 1991

Dear Charles,

Anglo-German Summit, 11 March: Travel

We have the following recommendations to make on travel arrangements for the Anglo-German Summit.

An RAF HS125 has been reserved to take the Prime Minister and the No 10 party. The Foreign Secretary, other accompanying Ministers and their immediate parties will travel in a BAe 146 of The Queen's Flight.

The programme begins at the Federal Chancellery at 1300 hours. We therefore suggest the following aircraft timings:

UK = GMT: Germany = GMT +1: All times local

Monday 11 March

RAF HS125	ETD RAF Northolt	0900
	ETA RAF Alconbury	0935
	ETD RAF Alconbury	1005
	ETA Cologne/Bonn	1235
	Flying time 1 hour 30 minutes.	
	Refreshments available.	
BAe 146	ETD RAF Northolt	1025
	ETA Cologne/Bonn	1235
	Flying time 1 hour 10 minutes.	

The Prime Minister's programme is due to end at 1930 hours after his speech to the Konrad Adenauer Stiftung. We therefore propose to put the RAF HS125 on standby to depart Cologne/Bonn at 2000 hours. This would give an arrival time at London Heathrow (Spelthorne Suite) at 2020 hours. Flying time 1 hour 20 minutes. Refreshments will be available. The accompanying Ministers and their parties would depart Bonn after the Press Conference.

I should be grateful to know if you agree with these proposals.

Yours ever

Richard Gozney

(R H T Gozney)
Private Secretary

Sir Charles Powell
10 Downing Street

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file

DCA

cc: MoD

10 DOWNING STREET
LONDON SW1A 2AA

THE PRIME MINISTER

20 February 1991

Dear Roger,

Thank you for your letter. I am the one who should thank you and your wife for your hospitality, and for the wonderful way in which the wives and families are being cared for. Their quiet courage and their pride in their husbands is inspiring, and a great credit to them and to the Royal Air Force.

With every good wish,

Yours sincerely,

John Major

Air Marshal Sir Roger Palin, K.C.B., O.B.E., R.A.F.

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KW
c/foreign/german

10 DOWNING STREET
LONDON SW1A 2AA

From the Private Secretary

18 February 1991

ANGLO-GERMAN SUMMIT

Thank you for your letter of 18 February about the arrangements for the Anglo-German Summit. It has crossed with my own letter, endorsing the MAFF proposal that agricultural ministers should be added. With that addition, I am sure the Prime Minister would be content with the proposed participation.

I see no difficulties with the outline programme or with the basic agenda.

I think the Prime Minister will be very happy to give Chancellor Kohl a bound copy of the text of Churchill's Zurich speech of 1946 and I should be grateful if you could put this in hand.

I look forward to seeing the new interpreter.

CHARLES POWELL

Richard Gozney Esq
Foreign and Commonwealth Office

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cyPC

Foreign &
Commonwealth
Office

London SW1A 2AH

18 February 1991

Dear Charles,

Anglo-German Summit: 11 March 1991

Thank you for your letter of 28 January. The Germans have now proposed that participation on their side, apart from Chancellor Kohl and Herr Genscher, should be limited to Herr Waigel (Finance), Dr Stoltenberg (Defence) and Herr Moellemann (Economics). The matching team on our side would be, besides the Prime Minister and Foreign Secretary, Mr Lamont, Mr King and Mr Lilley. This would be the same size as last year, but there might be advantage in asking the Germans to include Agriculture Ministers.

I enclose the outline programme proposed by the Germans. The agenda will be influenced by events, but the main subjects are likely to be the Gulf, the Soviet Union and the Baltics, and EC and Alliance issues.

Sir Christopher Mallaby thinks that it would help the Summit to go well if the Prime Minister were to give Chancellor Kohl some gift connected with Winston Churchill. He suggests a bound copy of the text of Churchill's Zurich speech of 1946 about the future of Europe (in English and German). If this would be acceptable to the Prime Minister, we will let you see a typeset text in due course.

The Summit will be an opportunity for you to judge the performance of our candidate for the job of interpreter to the Prime Minister, Miss Catherine Stenzl (your letter of 16 November).

I am copying this letter to John Gieve (Treasury), Simon Webb (MOD), Martin Stanley (DTI), Andy Lebrecht (MAFF) and Sonia Phippard (Cabinet Office).

Yours ever,

Richard Gozney

(R H T Gozney)
Private Secretary

Sir Charles Powell
10 Downing Street

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ANGLO-GERMAN SUMMIT: 11 MARCH 1991

OUTLINE PROGRAMME

1300	Arrival and greeting. Lunch at Palais Schaumburg
1430-1545	Tête-à-tête talks [other Ministers would presumably have talks with opposite numbers].
1545-c1730	Plenary, then Press Conference.
[1800	? speech to Konrad Adenauer Stiftung.]

GERMANY: Mtgs with Kohl
in Geneva 88

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bc: PC.

10 DOWNING STREET
LONDON SW1A 2AA

From the Private Secretary

18 February 1991

Dear Andy,

ANGLO/GERMAN SUMMIT

Thank you for your letter of 15 February suggesting that Agriculture Ministers should attend the Anglo/German Summit on 11 March. The Prime Minister would be perfectly content with this. I imagine it is for the FCO to put it to the Germans.

I am copying this letter to Christopher Prentice (Foreign and Commonwealth Office), John Gieve (H.M. Treasury), Simon Webb (Ministry of Defence) and Martin Stanley (Department of Trade and Industry).

Yours ever,

Charles Powell

Andy Lebrecht, Esq.,
Ministry of Agriculture, Fisheries and Food

CCPC

(2)

Ministry of Agriculture, Fisheries and Food
Whitehall Place, London SW1A 2HH
[redacted]
071-270 8709/8667

Prime Minister

I imagine you will be content for Mr. Gummer to join the happy throng.

CDP
15/2

From the Minister's Private Office

Sir Charles Powell KCMG
Private Secretary
10 Downing Street
London
SW1

15 February 1991

Fec

Dear Charles

ANGLO GERMAN SUMMIT: 11 MARCH 1991

You copied to me your letter of 28 January to Christopher Prentice about the arrangements for this Summit. Mr Gummer has seen this and would like to suggest that Ministers of Agriculture attend.

This meeting will be taking place shortly after the Council at which we expect the Commission to present their price package for 1991/92, and before Governments will have firmly committed themselves to any particular line of response. My Minister is in the process of meeting his key Community counterparts to concert views on CAP reform and to consolidate opposition to MacSharry's particular ideas. He has already had useful meetings with the French, Dutch and Danish Ministers of Agriculture. So far as the German Minister, Herr Kiechle, is concerned, however, Mr Gummer feels that there would be advantages in his meeting him in a forum which ensures that the German government as a whole is aware of the issues involved.

Kiechle has shown a welcome degree of opposition to the most objectionable aspect of MacSharry's ideas, the discrimination against larger and more efficient farmers, but his ideas on CAP reform remain very different to ours and despite indications from elsewhere in the German administration, he has yet to show much flexibility on the agricultural aspects of the GATT negotiations. We know very well that there are voices in the German government who would like to take a less parochial view, and Mr Gummer believes that a discussion with Kiechle on CAP reform in the context of the Summit could be fruitful.

If the Prime Minister is content, I would be grateful if we could put this suggestion to the Germans, who I realise have the last word on this occasion.

I am copying this letter to Christopher Prentice (FCO), John Gieve (HMT), Simon Webb (MOD) and Martin Stanley (DTI).

Yours sincerely

Andy

A J Lebrecht
Principal Private Secretary

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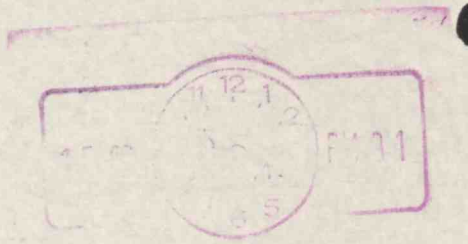
GERMANY: PM's visit
Pt 8



CHARLES

To note PM's comment.

Good

A good line for my Bonn speech.

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PS/Mr Hogg
Mr Jay
Miss Spencer

Mr O'Donnell No 10

Helmut and John

The successful meeting between German Chancellor Helmut Kohl and British Prime Minister John Major signals a change in the geometry of European politics.

Over the past years the crucial European axis was a straight line between Paris and Bonn. But a number of recent events have altered that, and now one can talk about a European power triangle: Bonn-London-Paris.

As the Kohl-Major entente will make clear, Germany and Britain are natural allies in many European Community disputes. The issue addressed at this week's meeting was monetary union. Helmut Kohl acceded to the British go-slow approach. This is a retreat from the policy elucidated by Mr. Kohl at last year's Rome summit, when Germany agreed to the French-Italian rush-to-unity timetable. The French had been aggressively campaigning for the creation of a European central bank. The Germans seem to be saying that the institution that currently serves as the effective central European bank—the Bundesbank—should not be foresaken so quickly.

The German-British agreement thrusts Britain into the top rung of European powers, at least for a time. Part of this agreement is personal. The flexible Mr. Kohl and the strong-willed Margaret Thatcher did not get along. Indeed, it now appears possible that Mr. Kohl sided with the rush-to-unity forces at the Rome Summit to isolate Mrs. Thatcher and spark a domestic revolt. If that was the strategy, it worked. Her replacement, Mr. Major, is much more congenial to Bonn.

But the new geometry is not merely personal. Germany is the continent's leading economic power, but as the Gulf war demonstrates, Britain is Europe's most forceful and forthright geopolitical power. And in fact, the two countries are compatible. In the 19th century, the Anglo-German relationship was close, based on shared values: industriousness, devotion to higher education, practicality and stability.

This meeting was clearly part of a recent flurry of German efforts to make up for their earlier weakness on the Gulf. Free Democrat Otto Lambsdorff's welcome suggestion that Germany should repudiate its recognition of the PLO is another.

A closer German-British relationship is not a setback for France. Indeed, Paris has initiated a Franco-British entente of its own. Diplomats have reported growing cooperation between Paris and London on postwar security arrangements and arms procurement. Wary of being overly dependent on the German economic and political culture, the French are trying to diversify by tightening relations with Britain.

Obviously, none of these relationships will remain static. But the Gulf war has induced some measure of reality to European relations. Europe seems to be emerging from the hothouse atmosphere of recent summits. The rhetorical pressures built up during the recent Italian EC presidency are subsiding. Messrs. Kohl and Major are to be congratulated for working toward a more solid and realistic base of political and economic relations in Europe.

A far cry from the views of the US media last year as Britain on the margins of decision in Europe

Charles Crawford
14/2

WALL STREET JOURNAL
DATE 13/2

1) fax Francis Cornish, News D.

2) Back to me

file PA

(c: Horsfall Konrad)

bc: PC

10 DOWNING STREET
LONDON SW1A 2AA

From the Private Secretary

14 February 1991

ANGLO-GERMAN SUMMIT: INVITATION TO THE PRIME MINISTER FROM KONRAD ADENAUER STIFTUNG

Thank you for your letter of 13 February about the proposal that the Prime Minister should make a speech in Bonn under the aegis of the Konrad Adenauer Stiftung on 11 March. I confirm the Prime Minister is ready to do this at 1800 that evening. I should be grateful if work could be put in hand promptly on a draft speech. We shall need the first draft to reach Number 10 by 28 February.

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

C. D. POWELL

Christopher Prentice, Esq.
Foreign and Commonwealth Office

(1)

Foreign and Commonwealth Office

London SW1A 2AH

13 February 1991

Prime Minister

Yes

Last chance to change your mind before you are committed to a major speech in Bonn on 11 March!

Dear Charles,

Anglo-German Summit : Invitation to the Prime Minister from Konrad Adenauer Stiftung

Content to go ahead? CDP

Thank you for your letter of 11 February about the proposal that the Prime Minister should make a speech in Bonn under the aegis of the Konrad Adenauer Stiftung when he is there for the Anglo-German Summit on 11 March.

The Foreign Secretary welcomes this proposal. Sir Christopher Mallaby has confirmed that the Konrad Adenauer Stiftung is a suitable forum. It might make more sense for the speech to be given towards the end of the day's programme (about which we are writing separately) - say at 1800 after the talks and Press Conference. The Konrad Adenauer Stiftung say that this would ensure a better attendance by members of the Bundestag than in the late morning.

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

Yours ever,

Christopher Prentice.

(C N R Prentice)
Private Secretary

Sir Charles Powell KCMG
10 Downing Street

Photos sent to PM by Sandra

file

DSG

10 DOWNING STREET
LONDON SW1A 2AA

From the Private Secretary

13 February 1991

The Prime Minister was most grateful to receive copies of the photographs you took of him at the British Forces Broadcasting Service. He is delighted to have them. Thank you very much indeed.

With best wishes,

CF

PM's visit to MUNSTER

Miss Sandra Phillips

Jeff Baynham, Esq.

Mayor of MUNSTER
26/2

10 DOWNING STREET
LONDON SW1A 2AA

From the Private Secretary

12 February 1991

I enclose a copy of a letter to the Prime Minister from the Mayor of Munster, which was handed over during the Prime Minister's visit to British forces there yesterday. I should be grateful for a draft reply.

C. D. POWELL

Christopher Prentice, Esq.,
Foreign and Commonwealth Office.

FM BONN

TO IMMEDIATE FCO

TELNO 151

OF 121815Z FEBRUARY 91

INFO PRIORITY PARIS, LUXEMBOURG, UKREP BRUSSELS, UKDEL NATO

INFO PRIORITY WASHINGTON, CABINET OFFICE

PRIME MINISTER'S VISIT TO BONN 11 FEBRUARY

SUMMARY

1. WARMTH OF TALKS WITH KOHL WIDELY NOTICED IN GERMANY. GOOD BASIS FOR AN EFFORT TO BUILD UP BILATERAL RELATIONS.

DETAIL

2. THE WARM ATMOSPHERE OF THE PRIME MINISTER'S TALKS WITH CHANCELLOR KOHL ON 11 FEBRUARY WAS STRONGLY REFLECTED IN THEIR JOINT PRESS CONFERENCE AFTERWARDS. THE GERMAN MEDIA (SEE MIFT) ARE FULL OF THE STORY THIS MORNING. THE PRIME MINISTER'S VISIT AROUSED MORE INTEREST AMONG THE GERMAN MEDIA, AND WAS MORE POSITIVELY REPORTED AND ASSESSED, THAN IS USUAL HERE FOR BRITISH-GERMAN EVENTS.

3. KOHL DESCRIBED THE TALKS TO ME AS MARKING A NEW ERA IN BRITISH-GERMAN RELATIONS. HIS DIPLOMATIC ADVISER, HARTMANN, SAID TO ME TODAY THAT HE HAD NOT FOR A LONG TIME EXPERIENCED SUCH A FRIENDLY TALK.

4. THIS, AND THE FORTHCOMING BRITISH-GERMAN SUMMIT HERE AND VISIT BY KOHL TO BRITAIN, PROVIDE AN EXCELLENT BASIS FOR AN EFFORT TO BUILD UP BRITISH GERMAN RELATIONS AND THUS OUR INFLUENCE IN GERMANY, NOT LEAST IN CONNECTION WITH THE CRUCIAL DEBATE ON FUTURE EUROPEAN POLICY. THE IMPENDING REVIEW, LED BY THE CABINET OFFICE, OF THE IMPLICATIONS FOR BRITISH POLICY OF GERMAN UNIFICATION IS THEREFORE WELL TIMED.

MALLABY

UNCLASSIFIED

FM BONN

TO IMMEDIATE FCO

TELNO 152

OF 121819Z FEBRUARY 91

INFO ROUTINE WASHINGTON, MOSCOW, EC POSTS, UKREP BRUSSELS

INFO ROUTINE UKDEL NATO, CABINET OFFICE, BERLIN, CGS IN GERMANY

MIPT

PRIME MINISTER'S VISIT TO FRG, 11 FEBRUARY : MEDIA COVERAGE

SUMMARY

1. UNUSUALLY WARM MEDIA COVERAGE. MAIN THEMES: THE PERSONAL RAPPORT BETWEEN THE PRIME MINISTER AND CHANCELLOR KOHL, THEIR AGREEMENT ON THE GULF, AND THEIR SHARED DESIRE TO WORK FOR SOLUTIONS TO DIFFERENCES OVER EUROPEAN ECONOMIC AND POLITICAL UNION.

DETAIL

2. IN THEIR COVERAGE OF THIS VISIT THE GERMAN MEDIA HAVE CONVEYED A STRIKINGLY POSITIVE IMPRESSION OF BRITISH-GERMAN RELATIONS. THE PRIME MINISTER'S VISIT WAS REPORTED BY ALL THE MAJOR TELEVISION CHANNELS YESTERDAY EVENING AND IS ONE OF THE LEAD ITEMS IN MOST OF THE MAJOR NATIONAL AND REGIONAL NEWSPAPERS TODAY. MOST ADD REPORTS ON THE AFTERNOON VISITS TO BRITISH ARMY AND RAF FAMILIES.

3. MANY REPORTS CONCENTRATE ON THE PERSONAL WARMTH BETWEEN THE PRIME MINISTER AND THE CHANCELLOR, WHICH CAME OVER STRONGLY IN THE WELL ATTENDED PRESS CONFERENCE IN BONN (SOME 20 BRITISH AND GERMAN TELEVISION CREWS AND OVER 300 ACCREDITATIONS IN ALL, AN EXCEPTIONALLY HIGH TURNOUT FOR SUCH A SHORT PRESS FACILITY). THE FIRST GERMAN TELEVISION CHANNEL'S COVERAGE WAS AGAINST A BACKGROUND PICTURE OF THE PRIME MINISTER AND THE CHANCELLOR OVER THE TITLE 'FULL AGREEMENT'. MANY PAPERS CONTRAST THE WARMTH OF THIS ENCOUNTER WITH CHANCELLOR KOHL'S RELATIONSHIP WITH MRS THATCHER, AND EMPHASISE THE DESIRE OF BOTH SIDES TO RESTORE THE PUBLIC IMAGE OF ANGLO-GERMAN RELATIONS FOLLOWING THE DIFFERENCES OF APPROACH ON THE GULF. A COMMENTARY IN DIE WELT (RIGHT WING) BY A SENIOR POLITICAL CORRESPONDENT CLOSE TO CHANCELLOR KOHL EMPHASISES THAT LONDON NOW WISHES TO SEE MORE NEGOTIATION AND DIALOGUE AND LESS CONFRONTATION, AND WILL BE PLEASED TO FIND BONN ACCEPTING AND INCLUDING THE UK ALONGSIDE FRANCE IN A STRENGTHENED ROLE AS A PARTNER. THE BONN PAPER, GENERAL ANZEIGER, POINTS OUT THAT DIFFERENCES STILL EXIST, PARTICULARLY OVER POLITICAL UNION, BUT ADDS THAT THIS MAKES DIALOGUE ALL THE MORE IMPORTANT.

4. MANY REPORTS - EG IN THE SUEDDEUTSCHE ZEITUNG, WHOSE HEADLINE IS 'KOHL EMPHASISES SOLIDARITY WITH THE ALLIES' WAR OBJECTIVES' - STRESS THE CLOSE IDENTITY OF VIEWS ON THE GULF AND THE PRIME MINISTER'S REITERATION OF HIS THANKS FOR GERMANY'S FINANCIAL SUPPORT. THEY ALSO REPORT WIDELY THE CHANCELLOR'S INDICATION THAT HE MIGHT BE PREPARED TO PROVIDE FURTHER FINANCIAL SUPPORT LATER. THE PRIME MINISTER'S FIRM STATEMENT, IN RESPONSE TO A QUESTION AT THE PRESS CONFERENCE, THAT THE COALITION'S AIMS IN THE GULF ARE LIMITED TO THE FULFILLMENT OF THE UN RESOLUTIONS IS ALSO GIVEN PROMINENCE, AGAINST THE BACKGROUND OF ANXIETY ON THE PART OF GERMAN PUBLIC OPINION ABOUT THE PURPOSES AND EXTENT OF THE GULF WAR.

5. A NUMBER OF EDITORIALS EXAMINE THE DIFFERENCES OF APPROACH BETWEEN THE UK AND FRG ON EUROPEAN UNION, INCLUDING THE DEVELOPMENT OF COMMON DEFENCE AND SECURITY POLICIES. THEY POINT OUT THAT THE UK IS STILL CAUTIOUS, BUT WELCOME THE PRIME MINISTER'S WILLINGNESS TO DISCUSS AND NEGOTIATE WITH A VIEW TO REACHING AN AGREED CONCLUSION. KOHL'S COMMENT THAT THE WAY TO EUROPEAN UNION (APPARENTLY BOTH POLITICAL AND ECONOMIC) MAY INVOLVE DETOURS, BUT THAT IN POLITICS THESE CAN OFTEN BE THE SHORTER ROUTE, IS WIDELY SEEN AS A WILLINGNESS ON THE PART OF THE GERMANS ALSO TO SHOW FLEXIBILITY. BUT NO GERMAN PAPER FOLLOWS THE LEAD STORY IN THE EUROPEAN EDITION OF TODAY'S FINANCIAL TIMES IN SEEING IN THIS A SIGN OF GERMAN WILLINGNESS TO SLOW DOWN STAGE 2 OF EMU, AND A VICTORY FOR THE UK OVER FINANCE.

6. THERE ARE ALSO REFERENCES TO THE PRIME MINISTER'S AND CHANCELLOR'S POSITIVE COMMENTS ON RECENT DEVELOPMENTS IN SOUTH AFRICA, OF THEIR JOINT HOPE FOR AN EARLY AND SUCCESSFUL CONCLUSION TO THE GATT URUGUAY ROUND, AND OF THE PRIME MINISTER'S WISH TO SEE CLOSER LINKS BETWEEN THE CDU AND THE CONSERVATIVE PARTY.

MALLABY

10 DOWNING STREET
LONDON SW1A 2AA

From the Private Secretary

12 February 1991

The Prime Minister was most grateful to you and your colleagues for giving him such a comfortable and convenient journey to Germany yesterday, despite the very difficult weather conditions. Your take-off from Bruggen in a snow drift was particularly noteworthy. Perhaps we could ask for all HS 125s to be fitted with cross-country skis in future!

We are most grateful.

C. D. POWELL

Squadron Leader Lucking

Flt 1459 11th Feb '91

● Lucking

F/L Stewart

Cpl(W) McKenzie

32 Son
Ref Northolt
Ruislip
Middlx.

Air Marshal Sir Roger Palin KCB OBE MA RAF

Headquarters
Royal Air Force Germany
British Forces Post Office 40

Commander in Chief

RAFG/CINC/14

R1d2

The Right Honourable John Major MP
Prime Minister
10 Downing Street
LONDON SW1

12 February 1991

Dear Prime Minister,

I should like to thank you most sincerely, on behalf of us all here in Royal Air Force Germany, for taking the time to visit RAF Bruggen yesterday and for being so generous of your time, speaking to so many of the families and serving personnel there. Your visit was a great fillip to everyone's spirits, not only at Bruggen but at our other stations which are equally involved in the Gulf operations. I am only sorry I was not able to command the weather to order and that your return was yet further delayed!

My wife joins me in wishing you and Mrs Major every success in your term of office.

Yours respectfully,

Roger Palin

10 DOWNING STREET
LONDON SW1A 2AA

From the Private Secretary

12 February 1991

PRIME MINISTER'S VISIT TO GERMANY

I enclose the Prime Minister's thank you letter to Chancellor Kohl, following his visit to Germany yesterday. I should be grateful if you could arrange for its delivery as soon as possible today.

(C. D. POWELL)

Richard Gozney, Esq.,
Foreign and Commonwealth Office.

SH
cc FCO

10 DOWNING STREET
LONDON SW1A 2AA

THE PRIME MINISTER

12 February 1991

SUBJECT cc MASTER
OPs

PRIME MINISTER'S
PERSONAL MESSAGE
SERIAL No. T43/90

Dear Helmut,

May I thank you most warmly for your hospitality in Bonn yesterday. I found our talk immensely useful and believe that we really have opened a new chapter in relations between Britain and Germany. On a personal level, I find that we understand each other very well and I do hope we can continue to speak regularly by telephone and meet frequently. I repeat my invitation to you to come with your wife in the spring or early summer for a weekend in the country - and of course I look forward to seeing you at the Anglo-German Summit on 11 March (and indeed before then in London if you have the time). Meanwhile I agree that we should maintain a channel of communication between our respective offices: and I will ask Charles Powell to keep in touch with Peter Hartmann.

Finally can I say how very grateful I was for your generous and elegant gift, which I am really delighted to have.

Warm regards,

Yours Ever,
John

SE Herrn Dr. Helmut Kohl MdB

10 DOWNING STREET
LONDON SW1A 2AA

From the Private Secretary

11 February 1991

I am writing on behalf of the Prime Minister to thank you and your colleagues who so kindly flew us during the Prime Minister's visit to Munster. He was very pleased to be able to make the visit and met some of the families of those in the Gulf: it would only have been possible by using your helicopters, particularly given the difficult weather conditions. He is most grateful to all of you and has asked me to send you his warm regards.

C. D. POWELL

Major Greenhalgh, D.F.C.

Capt Roberts (2)
Sgt Wilson (GO, SRW)

Mas Greenhalgh DFC
S/Sgt Allen Helicopter (PM, COP)

WO II Jellicoe
Cpl Robertson (Spare) (3)

3 Regiment
~~Air Force~~ Army Air Corps
BFPO 106

CONFIDENTIAL

Cable PM
ce PC

10 DOWNING STREET
LONDON SW1A 2AA

From the Private Secretary

11 February 1991

Dear Simon.

PRIME MINISTER'S CALL ON CHANCELLOR KOHL: LOW FLYING

Thank you for your letter of 9 February inviting the Prime Minister to raise the subject of low-flying during his meeting with Chancellor Kohl. I regret to say that the Prime Minister was pressed for time and did not get an opportunity to mention the subject.

I am copying this letter to Richard Gozney (Foreign and Commonwealth Office).

Yours ever,

C. D. POWELL

Simon Webb, Esq.,
Ministry of Defence.

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CONFIDENTIAL AND PERSONAL

Cable SRW
cc PC

SUBJECT CC MASTER

10 DOWNING STREET

LONDON SW1A 2AA

From the Private Secretary

11 February 1991

Dear Richard.

PRIME MINISTER'S MEETING WITH CHANCELLOR KOHL

The Prime Minister spent some three hours talking to Chancellor Kohl in Bonn today. The meeting started in the Chancellor's office, continuing over lunch in an adjoining room and finished with a visit to Konrad Adenauer's office in the old Federal Chancellery building. Only Herr Hartmann was present on the German side. The Chancellor was in great good humour and went out of his way to be friendly and forthcoming. He commented at the end of the meeting that it represented a new start in Anglo-German relations. The Prime Minister was equally positive, and well satisfied with the outcome of the meeting. You will receive separately the verbatim texts of the statements which the Chancellor and the Prime Minister made at the end of the session and their answers to questions.

Introduction

Chancellor Kohl began by listing the subjects which he and the Prime Minister might cover, notable for the omission of any reference to Turkey, which he had told the Foreign Secretary he had particularly wanted to discuss. He added that he was glad that things were going well for the Prime Minister and the Government: and much relieved at the Prime Minister's deliverance from the PIRA attack.

The Prime Minister said that he was very pleased to have the opportunity for a talk. He found their regular telephone calls immensely useful. Once the weather improved in the spring, he hoped that the Chancellor and Mrs. Kohl would come across and spend a weekend in the United Kingdom. He would look for an attractive site in the country, with some good walking and a delectable pub. The Chancellor said he would very much welcome that. He hoped in turn the Prime Minister would come and stay with him at his home in Ludwigshafen.

CONFIDENTIAL AND PERSONAL

Germany internal

Chancellor Kohl spoke at some length on the internal situation in Germany. On the economic front there were really two entirely different pictures. In the former FRG, the economy was doing excellently. Barring some disaster in the Gulf war, Germany should get 3-3.5 per cent growth in the current year, with unemployment at about 6 per cent. This would be good for the whole European Community. The situation in the former East Germany was much more difficult, although this was not unexpected. It would take 3-5 years to achieve a flourishing economy there. The low point had been reached rather sooner than he had calculated. Originally he had expected to be able to retain at least part of the former GDR's economic and trade relations with Comecom. But the countries of Eastern Europe were unable to pay and their products were not needed in the West. Goods from the former GDR were far below world market standards. Germany faced the problem of re-training some three million workers in the former GDR: and of dealing with pervasive over-staffing. The number of people employed in local government and other similar areas had to be reduced by at least half.

But, continued the Chancellor, the real problem was not the economy but the toll which 40 years of dictatorship had taken on the East German people. For the sake of comparison, one should recall that the Nazi period had lasted only nine years. The last free elections in East Germany had been in 1932. The role played by the Stasis was almost unbelievable: they had fingers everywhere, and it was difficult to disentangle now who were the victims and who were the oppressors. Their archives were a huge problem and it would be much better if they were all destroyed. All in all, 1991 would be difficult, although he expected things to perk up in the autumn. People in the western part of Germany spoke of solidarity, but did not like to show it.

The Gulf

The Chancellor said this led him on naturally to the conflict in the Gulf. The debate about this in Germany could only be understood in the context of Germany's history over the past 50 years. Criticism from abroad was counter-productive. The Prime Minister interrupted to say that he regretted such criticism. The overwhelming majority of people in the UK were pleased about German unity. To his generation it was entirely right to have a unified Germany. A line had been drawn under the past, and we had a different sort of Germany and a different sort of Europe. Britain and Germany had much more in common than there was separating them.

Chancellor Kohl, who was clearly pleased with these comments, continued that in former days Germans were criticised for never taking their jack-boots off. Now it was difficult to get them to put them on. Unlike Britain and France, there was no consensus on the basic issues of defence. The Social Democrats in Germany were anti-defence and shirked any international responsibility. The situation was similar to that which he had faced over the decision to deploy Pershing in 1983. That said, 1990 had been a disastrous year for the Left in Germany.

Everything which they had said had turned out to be wrong, in particular on German unification. The result had been reflected in the elections. But now they had Saddam Hussain as an excuse to be anti-American and anti-NATO: and there was no denying that their attitude did strike bitter chords in the German people. Most families had lost someone in one or other of the two world wars. In consequence, public opinion was much more hysterical in Germany than in Britain about the Gulf war. Fortunately, Saddam Hussain had helped immensely, firstly by attacking Israel, then by his treatment of POws and finally by creating the oil slicks. All this had led to a considerable shift in opinion. The Prime Minister - rather keen to get a word in - said how grateful we were for Germany's financial contribution towards our military costs in the Gulf. He had spoken warmly of this in Parliament. Chancellor Kohl said the help would continue if the war went on. He would have to increase taxes in Germany but that would make people realise that Germans could not expect others to risk their lives in order for Germany to enjoy peace. Strangely it was easier to justify tax increases to help with the costs of the Gulf war than to meet the expense of unification. If Germany was unable to send forces to help its allies - as he would like to be in a position to do - then it must show its readiness to help in other ways.

The Prime Minister then briefed Chancellor Kohl quite extensively on the current military situation in the Gulf and the prospects. It seemed probable there would have to be a land battle and it could not be delayed indefinitely. Although there were a number of peace initiatives under discussion, none of them looked very serious. President Gorbachev's speech at the weekend was probably more of a warning shot to the United States and others that if we wanted Soviet support over the Gulf, we had to be restrained in our comments about the situation in the Baltic Republics. Chancellor Kohl asked how the Prime Minister saw the situation after the conflict. The Prime Minister said that, given Arab sensitivities, their views would be crucial. There was no question of having standing Western forces in the area. The Arab countries themselves might set up some sort of standing force, particularly the Gulf Cooperation Council. He was committed to bringing home British troops as soon as possible. Much would depend on how the conflict ended. Ideally Saddam Hussain would be clearly defeated. But an outcome was conceivable under which he withdrew from Kuwait with a substantial part of his armed forces still intact, claiming victory and increasing his prestige in the Arab world. That would make the subsequent security arrangements in the Gulf harder to deal with. Chancellor Kohl agreed that it would be prudent to plan on the less favourable scenario. If Saddam Hussain survived, the key would be to isolate him internationally, and above all to embargo further arms supplies. That would prevent him from re-building his military strength. The Prime Minister commented that it would be quite hard for Saddam Hussain to claim victory, given the damage done to Iraq's infrastructure and armed forces by allied bombing. It would take many years to restore. Chancellor Kohl said that nonetheless he was a bit sceptical about White House optimism over the outcome of the conflict.

Soviet Union

Over lunch the discussion turned to the Soviet Union. Chancellor Kohl said that he believed that Gorbachev was still fully in charge, and not a plaything in the hands of conservatives. When they had last spoken on the telephone a week or so earlier, he had made a point of asking Gorbachev how he was personally. The reply had been that "Mikhail Gorbachev tells Helmut Kohl that he has not changed. He is not a conservative or a reactionary. He is still committed to perestroika. But he cannot allow the Soviet Union to disintegrate." Chancellor Kohl said that he had considerable sympathy with this last point. He had constantly urged the Baltic leaders to take a hundred small steps rather than two big ones. That way, they would get most of what they wanted. If Gorbachev let the Baltics go now, at least four other republics would want to go as well and that would raise the question of the Ukraine. Personally he had always taken the view that the real problem was not the Oder-Neisse Line but Poland's eastern borders. Once you started fiddling with borders, you would destroy peace in Europe. He saw the West's main task now as being to use its influence to prevent the Soviet Union taking a step backwards. Whoever followed Gorbachev would be worse than him. He sympathised with the Baltics. But the only way forward for them was a slow march to independence.

The Prime Minister said that he was planning to visit Moscow and meet President Gorbachev in early March. Chancellor Kohl interrupted to say that he and the Prime Minister should have a talk on the telephone immediately beforehand. The Prime Minister continued that he understood Mr. Gorbachev's fears about disintegration of the Soviet Union. But how did he see the problem of the Baltics being solved? Was he sincere in saying that independence could come about as a result of negotiations? We had all invested a great deal in Gorbachev the reformer, but not in Gorbachev the oppressor. We had to persuade him to give clear signals that he was still the man he declared himself to be. How could we do this? Chancellor Kohl said that he had tackled Gorbachev privately on some of these issues at their last meeting, and told him frankly that he could not keep the Baltics against their will. His impression was that Gorbachev could envisage independence for the Baltics ultimately. But when he had gone on to raise the problem of the Kuriles with Gorbachev, he had become quite irritable and said that he could not do everything. However, he was reasonably confident that the Two plus Four agreement would be ratified, although it would never have been possible to negotiate it today. There were major problems with Soviet forces in Germany and he was certain they would have to withdraw before 1994.

Chancellor Kohl continued that it was an excellent idea for the Prime Minister to see Gorbachev. He should be frank with him and say that we wanted to know whether Gorbachev the reformer still existed. The Prime Minister said that he also intended to raise the problems over implementation of the CFE agreement. He believed the EC should continue with humanitarian food aid, but should hold back other assistance until it was clear that Gorbachev was resuming the path of reform. Chancellor Kohl said

the Prime Minister should tell Gorbachev that in terms. He and the Prime Minister should keep in the closest touch. Over the medium and long term, this issue of the Soviet Union was far more important than the Gulf. A step back in the Soviet Union would create enormous problems in Eastern Europe.

Yugoslavia

Chancellor Kohl said that he wanted to raise the problem of Yugoslavia, but he found it hard to propose any solution. The Prime Minister said that he shared Chancellor Kohl's concern about the situation but equally saw very little scope for the rest of us to help. Officials might get together to compare assessments.

South Africa

The Chancellor said that Britain and Germany had always been close together on South Africa and that should continue. The two of us had been shown to be right and the rest of the EC wrong. The Prime Minister said there would be opposition from the ANC and some of the Front Line States to lifting sanctions. But there was a great deal of hypocrisy talked. South Africa needed investment and access to the IFIs. He felt this was an area where the European Community should give a lead. He proposed to press his colleagues in the Commonwealth very hard, although not to the point of stimulating a counter-reaction.

Chancellor Kohl agreed that Britain and Germany should act together. He was not overwhelmed with admiration for Mandela who was very weak on detail. In many countries, South Africa was more of a domestic rather than a foreign policy issue. It had been a bad blow for the left to lose the South African bogey man. For his part, he would try to win over President Mitterrand to lift restrictive measures: he had the problem that France was a sort of Pope for the Africans. Similarly, there was a difficult domestic problem for President Bush. The Prime Minister suggested that British and German officials should get together to discuss the way ahead. If it would be helpful we could provide a paper for such a meeting. Chancellor Kohl welcomed this.

European Community

The Prime Minister said that he wanted to take the Chancellor into his confidence on his views on European Community issues and in particular Economic and Monetary Union. There was some areas where Britain and Germany agreed. Both wanted an anti-inflationary outcome. Both thought there had to be a convergence of economic performance before EMU could be achieved. In our view that meant that Stage 2 had to be substantial, not a phantom. We faced two problems in Britain. First, there was the difficulty about eroding Parliamentary sovereignty. Second - and more important in his view - there was the question of the economic circumstances in which it was safe to move forward. If we had a single currency and a single level of interest rates in Europe, the efficient nations would be able to compete satisfactorily, but the inefficient not. They would face huge

Powell to Gozney 11/2/91

unemployment and a collapse of asset values. The poorer countries would then ask the richer nations for huge transfers of funds. These were unlikely to be available. Anyway, it would be wholly wrong to put countries like Greece, Spain and Portugal on a permanent drip feed. Third, there was a political problem. Opinion in Britain about the EC was changing. But if he went to Parliament now for ratification of a treaty with a commitment to Stage 3 of EMU he would not get it through the House of Commons. He might be able to get it through if there was an opting-in provision. But he was very anxious that there should not be speculation about this prematurely.

The Prime Minister continued that he drew a number of conclusions from this. Basically we needed time: time to prepare opinion in the UK and time to allow the move towards EMU to be gradual. The latter consideration pointed to a lengthy second stage. He saw signs that a number of EC governments, particularly Spain and France, were beginning to pick up some of the British proposals, even though they would go further than we could on Stage 3. There was a coming together. But we wanted to avoid too swift a conclusion to the IGC, and too prescriptive a solution from it. The main prize would be a treaty signed by Twelve, and that was as important. But to achieve that, others in the EC needed to give us time and show understanding. We did not want to be boxed in.

Chancellor Kohl said that he and the Prime Minister had started to build a new relationship, and he felt it was a very personal one. He would say as much to the press. He could assure the Prime Minister that he would not do anything to box Britain into a corner. It might be better to deal with some of these issues outside official channels: Mr. Hartmann and I should work together, and he and the Prime Minister should speak to each other often. He very much wanted Britain to be together with Germany and France at the heart of the EC. It was psychologically wrong for Germany to be too prominent in Europe. That was why he continued to let France get out ahead. Mrs. Thatcher had never really understood his approach to Europe. But he and the Prime Minister were more similar and he very much wanted the two of them to work closely together. The Prime Minister said he would very much welcome this.

EDG/EPP

Chancellor Kohl said that, as part of this, he would like to see the EDG join the EPP in the European Parliament. He would be urging this when Christian Democrat leaders met in Brussels on 14 February. Such a coming together had to happen before the 1994 elections. He wanted to see the British Conservatives and the Danish Conservatives as part of the EPP. A place also had to be found for the French conservative parties. The Right had to go into the next European elections with a common platform. The Prime Minister said he very much shared this aim and thought it was right for the EDG to join the EPP, although it might cause difficulties in some sections of the Conservative Party. Equally he wanted a close relationship between the Conservative Party and the German CDU. Chancellor Kohl said that he might come over to London in early March to discuss this further with the Prime

Minister, involving also Mr. Patten. The Prime Minister pointed out that he would be returning to Bonn for the Anglo-German Summit on 11 March and could bring Mr. Patten with him. It was left that this would be sorted out between me and Mr. Hartmann. Chancellor Kohl added that he thought Martens was aboard, so was Santer. The Italians were coming round: it was only the Dutch who were the main problem.

Discussion had to finish at this point before the Prime Minister and Chancellor Kohl could get into issues such as the GATT and European Political Union (not to speak of Turkey).

I am copying this letter to John Gieve (HM Treasury), Martin Stanley (Department of Trade and Industry), Robert Canniff (Chancellor of the Duchy of Lancaster's Office) and to Sir Robin Butler.

Yours sincerely,

C. D. POWELL

Richard Gozney, Esq.,
Foreign and Commonwealth Office.

PRIME MINISTER

VISIT TO GERMANY

I attach some additional briefing for your visit to Germany covering three aspects:

- your visits to Army and RAF families;
- extra briefing on EMU, taking account of Chancellor Kohl's recent message; and
- a note on low flying.

Visit to Service families

You are making two separate visits to Service families. You go first to Munster to see the Army. There you will meet wives of personnel deployed to the Gulf, led by Mrs. Alison Hammerbeck. You met her husband out in the desert. He is the Brigadier in charge of 4 Armoured Brigade. You will also meet some of the welfare staff and the soldiers. You then move on to RAF Bruggen where again you meet wives of personnel out in the Gulf, as well as aircrew and groundcrew recently returned from there. Bruggen has had its share of losses. Two aircrew from One Squadron were killed during a training flight in Oman in early January (both were single). Subsequently, a Tornado crew are listed missing in action. By chance, it is the crew you met sitting in their aircraft in Dhahran while you were out there. You have had correspondence with the wives about continuation of their husbands' flying allowances.

The briefing deals with a number of welfare issues which could come up - telephones, parcels, burial, boarding school allowance, desert boots, community charge, and Options for Change.

In each case you will meet a lot of family members individually, but it is hoped you will also agree to say a few words to the assembled company. You will want to praise those serving in the

Gulf and the families who remain behind.

You will be accompanied during the visit by General Sir Peter Inge, the Commander in Chief (you will have seen separate papers about him). While with the Army, you will also see General Sir Charles Guthrie, regarded as very much a coming man: and with the RAF, Air Marshal Sir Roger Palin, equally highly regarded.

CDP

9 February 1991

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CONFIDENTIAL

PRIME MINISTER'S VISIT TO MUNSTER AND RAF BRUGGEN

Annex A:	Programme
Annex B:	Briefing for Visit to Munster
Annex C:	Army Options for Change.
Annex D:	Briefing for Visit to RAF Bruggen.
Annex E:	Lines to Take and Background on Terms and Conditions of Service.

OUTLINE PROGRAMME FOR THE VISIT OF THE PRIME MINISTER - 11 FEBRUARY 1991

SER	TIME Local	EVENT	REMARKS
01	1400	Depart British Embassy for Koln/Bonn airport.	Accompanied by: Gen Sir Peter Inge CinC BAOR Sir Christopher Mallaby HMA Bonn Press Secretary Detective and 3xCP
02	1430	Depart Koln/Bonn airport for Munster Osnabrück ~~Greven~~ airport by HS 125. (Flight 1459)	
03	1500	Arrive Munster airport. Transfer to Lynx. Depart for 2 Field Regiment Loddenheide Complex.	
04	1515	Arrive 2 Field Regiment Move to Sports Complex.	Met by: Lt Gen Sir Charles Guthrie Commander 1 (BR) Corps Brig J G W Dean (John) Garrison Commander

08 FEB '91 11:53 CICC GERMANY

ANNEX A

P.2

OUTLINE PROGRAMME FOR THE VISIT OF THE PRIME MINISTER - 11 FEBRUARY 1991

06 FEB '91 11:54 CICC GERMANY P.3

SER (a)	TIME Local (b)	EVENT (c)	REMARKS (d)
05	1520	Arrive Sports Complex - meet in groups: a. German Stadt Officials.	Meet: Herr Schleberger Regierung President Dr Twenhoven Oberburgermeister Dr Punder Oberstadt Direktor Herr Steinecke Police President Herr Dr Teschner Leader CDU Munster South Accompanied by: Lt Col P French (Paul) SLO Munster
		b. Wives of 2 Fd Regt personnel deployed on Op GRANBY.	Meet: Mrs Alison Hammerbeck - wife of Brig C J A Hammerbeck Comd 4 Armd Bde [You met him in Saudi Arabia] Mrs Margot Radcliffe - wife of CO 2 Fd Regt

OUTLINE PROGRAMME FOR THE VISIT OF THE PRIME MINISTER - 11 FEBRUARY 1991

EB '91 11:55 CICC GERMANY P.4

SER (a)	TIME Local (b)	EVENT (c)	REMARKS (d)
		c. Garrison and 2 Fd Regt Welfare Staff.	Mrs Olive Taylor - wife of Regimental Sergeant Major - 2 Field Regiment Meet: Lt Col M E A Syms (Mike) Station Commander Capt K Lillystone (Kay) Adjutant Capt P Doyle (Peter) Families Officer
		d. Soldiers.	
		e. Address.	
16	1610	Depart Sports Complex for Helicopter Landing Site	
17	1615	Depart 2 Fd Regt HLS for Munster Greven airport in 2xLynx.	Accompanied by: CinC BAOR
18	1630	Arrive Munster Greven airport. Transfer to HS 125.	In attendance: CinC BAOR
		Depart for RAF Bruggen.	
19	1700	Arrive RAF Bruggen	Met by: Air Mshl Sir Roger Palin CinC RAF Germany

OUTLINE PROGRAMME FOR THE VISIT OF THE PRIME MINISTER - 11 FEBRUARY 1991

SER (a)	TIME Local (b)	EVENT (c)	REMARKS (d)
			Lady Palin Gp Capt A J Harrison Station Commander
		Drive to Crossbow Club.	
10	1705	Arrive Crossbow Club. a. Meet wives of personnel deployed on Op GRANBY. b. Meet Aircrew and Groundcrew recently returned from the Gulf. c. Meet Station Aircres/Groundcrew and Support personnel (incl Medical, Dental and welfare representatives).	Refreshments available.
11	1755	Drive to Station Flt.	
12	1800	Arrive Station Flt. Transfer to HS 125. Depart for UK.	In attendance: CinC RAF Germany Lady Palin Stn Cdr

FEB '91 11:55 CLUB GERMANY P.5

ANNEX B

PRIME MINISTER'S VISIT TO MUNSTER

MUNSTER-BASED UNITS SERVING IN THE GULF

1. Two Army units previously stationed in Munster - 14th/20th Kings Hussars and 2 Field Regiment Royal Artillery - have deployed to the Gulf with the 4th Armoured Brigade. A number of other Regiments are also providing significant numbers of reinforcements for 1(BR) Armoured Division units including:

a. 17th/21st Lancers (reinforcing the Queens Royal Irish Hussars and the Scots Dragoon Guards.

b. 1st Battalion the Grenadier Guards (reinforcing the Royal Scots, the Royal Regiment of Fusiliers and the Staffordshire Regiment)

c. 1st Battalion Queens Own Highlanders (2 companies deployed to guard major headquarters)

2. The Prime Minister will recall that the lack of media attention enjoyed by the Grenadier Guards was the subject of a plea for help from the Regimental wives. The Grenadier Guards are perhaps the most extreme victims amongst a number of regiments that have deployed to the Gulf to reinforce other units and have not, as a result, enjoyed the publicity that they would have liked. To redress the balance, we are taking steps to draw the attention of the press to the many famous regiments that are providing substantial reinforcements though not serving as formed units.

2ND FIELD REGIMENT RA

The Regiment was formed in 1901 as 6th Brigade Royal Horse Artillery (RHA) (but was re-designated 2nd Brigade RHA in 1906) seeing service during the Boer War. The Regiment re-formed in 1919 with I Battery (Bull's Troop), L(Nery) Battery and N Battery (The Eagle Troop). 2nd Regiment RHA finished the second World War in Italy.

Since then the Regiment has served in Palestine, Germany, Malaysa, UK and Cyprus. In 1972 the Regiment undertook the first of 4 emergency tours in Northern Ireland and has now served with success in Belfast, Londonderry and Armagh.

With the re-structuring of the Army, 2nd Regiment has been subject to re-organisation. In 1982 the Regiment took under command 46 Air Defence (AD) Battery which is now equipped with the JAVELIN AD missile. L, N and O (The Rocket Troop) Batteries are equipped with the M109. The regiment is under command of 4 Armoured Brigade itself part of 3 Armoured Division.

On return from Cyprus (Jun 90), the Regiment had a short period of leave and was then warned off for deployment on Op GRANBY.

The Regiment is currently deployed with 24 M109 Self Propelled Guns and approximately 850 personnel and are roled as a Direct Artillery Support Regiment for 4 Brigade.

4TH MECHANISED BRIGADE - A DESERT TRADITION

The 4th Mechanised Brigade is descended from the 4th Armoured Brigade which was one of the original "Desert Rat" brigades, formed in 1940 as part of the 7th Armoured Division. When the 4th Armoured Brigade finally left the Division after the fall of Tunis, it kept the jerboa and white background from the Divisional badge but changed the colour from scarlet to black. The Brigade subsequently took part in the invasion of Sicily and the Italian Campaign.

In 1944 Brigadier (later Field Marshal) Carver took over the Brigade in Normandy and remained in command until 1947. The 4th Armoured Brigade was disbanded in 1948 and reformed in 1981 since when it has been based in Munster, Germany. Recent commanders have included the Commander in Chief, BAOR, General Sir Peter Inge and the present 1st British Corps Commander, Lieutenant General Sir Charles Guthrie. The Brigade was re-titled 4th Mechanised Brigade in November 1990 prior to deploying on Operation Granby.

The present commander is Brigadier Christopher Hammerbeck, late Royal Tank Regiment, who assumed his appointment in April 1990.

ANNEX D

MO 14/3J

VISIT BY THE PRIME MINISTER TO RAF BRUGGEN

Introduction

RAF Bruggen is an operational station in Germany, and is home of 9, 14, 17 and 31 Squadrons, operating Tornado GR1 aircraft. The station is also the home of 37 Squadron RAF Regiment, equipped with Rapier surface-to-air missiles. 431 Maintenance Unit - an aircraft repair and salvage depot, No 21 Signals Regiment Element and 52 Field Squadron Royal Engineers Airfield Damage Repair Squadron are also based at RAF Bruggen. The RAF will stay at Bruggen under Options for Change plans that will lead to closure of two other bases in Germany.

Operation GRANBY

RAF Bruggen has been extensively involved in Operation GRANBY, and Air and Ground crews from all four RAF Bruggen Squadrons were included in the original Tornado GR1 detachment to Muharraq in Bahrain. This detachment of 12 aircraft arrived in Bahrain on 28th August. Air and Ground crews from all four Squadrons are again deployed in the Gulf area, primarily at Dhahran in Saudi Arabia.

A significant engineering programme to modify aircraft for Operation GRANBY has been undertaken by personnel from RAF Bruggen, and a number of modifications have been made to aircraft, to take account of climate and conditions in the Gulf area. Modifications have included changes to the engines and airframes. The aircraft were also painted in desert camouflage. The aircraft will need to be changed back for European conditions on their return.

Operation GRANBY - Losses

Two aircrew from 31 Squadron - Flight Lieutenant K Duffy and Flight Lieutenant N Dent - were killed on 13th January during a training flight in Oman. Both crew members were single.

One crew from 17 Squadron - Squadron Leader R Ankerson and Flying Officer S Burgess - are Missing in Action following a mission on 24th January. Both crew members are married. The Prime Minister will recall that Mrs Ankerson wrote to him about the stopping of her husband's flying allowance following his being reported as missing. The matter has now been resolved and the wives of all missing servicemen will continue to receive their husband's full pay and allowances. The circumstances of the loss of their aircraft were reported to the Prime Minister in our letter MO 6/17/15/1 of 7th February 1991. The wives have been briefed.

X Possible premature explosion of bombs.

Welfare Issues

Every effort is being made to find out what has happened to those who go missing, and the International Committee of the Red Cross (ICRC) are involved in negotiations with the FCO and the Iraqi authorities. Some wives of captured/missing personnel at various RAF stations have asked whether visits by ICRC representatives could be made to dependents to explain the role of the Red Cross and describe some of the difficulties the organisation has been experiencing in Iraq. The ICRC has been approached about this, and a response is awaited.

Field conditions were declared on 17th January, and Ministers have agreed that there is to be no retrospective recovery of food and accommodation charges for the period 8th August - 16th January.

VISIT OF THE PRIME MINISTER TO GERMANY 11 FEBRUARY 1991

A number of welfare points are listed below (in no particular order), with a summary of the current position on each.

Telephones

As you know, Tom King announced on 31 January the introduction of a £10 a month concession for all Service personnel in the Gulf, to assist with the cost of telephone calls home. This has been very well received in the Gulf, and has provided a great boost to morale. Picking up a point made in discussion, reports that US troops in the Gulf receive free calls home are not correct. The US abandoned this idea after a one-week trial, and their troops currently pay telephone charges broadly similar to the rates our personnel were paying before the subsidy was introduced.

Parcels

All forces mail within Germany would be received by the local Forces Post Office. It is sorted there, and moved by the quickest means possible to British Forces Post Offices in the Gulf where it is distributed to units. All mail to the Gulf is carried by Service aircraft which depart daily. The transit time for letters is about four days and about ten days for parcels. These times can be exceeded if the Servicemen is located in a forward area.

The Standard Service for parcels to the Gulf was suspended on 1st February and the Economy Parcel Service is the only one now in existence. Parcels sent by this service are carried at rates equivalent to the UK inland postage rates, making the cost of sending a parcel to servicemen in the Gulf the same from Germany and UK.

Burial

The traditional policy for members of the Armed Forces killed overseas has been to arrange temporary local burial, with later reburial near the battlefield. However, we have decided that the bodies of those killed in the Gulf will receive temporary local burial and, where practicable, will be returned to this country once the fighting has ceased, if this is the wish of the next of kin. An appropriate religious service will then be arranged, in accordance with the wishes of the next of kin.

If any of our personnel die at sea, the decision on whether the body can be taken ashore for later repatriation, or will be buried at sea, remains (as is traditional) with the Commander of the vessel, who must take into consideration the operational circumstances at the time.

Options for Change

I am of course aware of the strength of feeling, particularly among the Services, which has been generated by Options for Change and, at a time when British forces are involved in hostilities in the Gulf, I am particularly concerned to minimise the uncertainty and anxiety felt by Service personnel and their families. It is clearly inappropriate, therefore, to pursue detailed decisions on the restructuring of front line Army units at the present time. As the Secretary of State said during the House of Commons Gulf debate on 21 January, we are continuing to study the Options proposals in consultation with our NATO allies, and intend to proceed with rationalisation and other support changes in areas that do not affect our efforts in the Gulf.

Boarding School Allowance (BSA)

There is the question of the issue of Boarding School Allowance (BSA) in the event of a Serviceman's death. BSA is paid to assist parents in providing a stable education for their children in the face of the often frequent moves that are a feature of Service life. Should the Service parent die or be invalided, the family in theory becomes stable and the children can achieve a stable education within the state system. We do, however, recognise that a transition to the state system cannot be made immediately, and that some adjustment is necessary, and the allowance therefore remains payable for the next full term following the death (or invaliding). In addition it is recognised that a changed of school within two years of a major public examination such as GCSEs or A-levels could be harmful to a child's education and we therefore permit payment of the allowance to continue in such cases until the term in which the examination takes place. Cases are considered on their merits and individual circumstances taken into account when decisions on cessation of the allowance are taken. We believe that these rules represent a sensible balance between the need to put some limit on demands on the public purse and the need to ensure that a child's education is not severely disrupted.

Desert Boots

It is difficult to comment on any instructions that might have been given to an individual on desert clothing without knowledge of the units with which he is serving. However, I can confirm that troops are not required to buy their own desert boots. Desert combat boots are being manufactured, and we have started to issue them. Our Servicemen will be issued with one pair of desert combat boots each, one pair of desert chukka boots for off duty wear, and two pairs of the standard combat boots.

Community Charge

The decision as to whether or not Service wives and families who return to this country from Germany after the death of their husband will be liable for the Community Charge must rest with the Community Charge Registration Officers. They have a duty to decide if someone is solely or mainly resident in their area and therefore liable for the charge. This will depend on all the circumstances of the case including the length of stay in this country and whether or not the individual intends to return to Germany. This is a difficult area in which to provide detailed advice, since each case will depend largely on its own merits, but general advice will be available to Service families in Germany.

Bereavement

There is a wide range of professional support offered to families in BAOR (Unit Families Officers, Padres, SSAFA professional social workers, Relate). Our policy on the welfare support provided overseas is, however, under continual review and if additional professional assistance is considered necessary, it will be provided. It should be stressed that bereavement counselling has an important place alongside the other support, care and advice available from non-professional sources.

VISIT OF THE PRIME MINISTER TO GERMANY

ESSENTIAL FACTS

Service Pay

1. Ministers have undertaken that no Regular serviceman should suffer financial loss as a consequence of being deployed to the Gulf. Arrangements have been made, where necessary, to top-up the pay of servicemen deployed from, eg. Germany, to ensure that this does not happen.

2. Arrangements for the pay of Reservists are slightly different. When called out, they receive the same rates of pay as Regulars. However, in order to protect them against financial loss, Ministers have agreed that where their civilian salary is greater than their military pay, they may receive a supplement of up to 20% (and more in special cases) to help compensate for any reduction in earnings up to a ceiling of £55,000. This is not an open-ended commitment, but recognises the genuine difficulties that many high-earning Reservists potentially face if their income were to reduce dramatically at virtually no notice.

Local Overseas Allowance

3. Local Overseas Allowance (LOA) is designed to compensate for the essential extra costs associated with living and working in an overseas area. It is calculated by reference to a "basket" of goods and services costed in the UK compared with the same "basket" costed overseas, with adjustments made for local differences in lifestyle and conditions. It varies from theatre to theatre and with the status of the individual (married or single, accompanied or not), as well as with rank.

When an individual in receipt of LOA is temporarily deployed away from theatre, he no longer incurs all the costs of living in that location and his LOA falls, although he may retain an element of it, especially if his family remains in theatre. He may in addition receive the unaccompanied rate of LOA at his temporary duty location; LOA rates in Saudi Arabia are, however, NIL or very low.

Travel Concessions

4. Many Service personnel have been deployed directly from overseas commands to the Gulf. Existing regulations allowed for families to return to the UK twice during deployments of six months or more to be reunited with their families. Many families wished to remain in Germany throughout the Gulf crisis in order to maintain close unit ties and to ensure the earliest possible notification of news through the Service system. Given this we have agreed to allow reverse travel from UK to Germany for close relatives so that families can enjoy the additional support of their relatives. Additional concessions are under consideration where husbands have been away for long periods and where there are special compassionate grounds (eg. soldiers taken POW or declared missing) but these have not yet been agreed.

It is anticipated that most casualties arising from the Gulf will be repatriated to the UK for medical treatment. Arrangements have been put in place to fly families who have remained in Germany back to the UK in such circumstances and accommodation will be provided where necessary. Some very seriously ill casualties may be treated in Cyprus - similar travel arrangements apply.

Harassment

5. At the commencement of hostilities there were a few strictly isolated instances of harassment of families, both by the media and by local peace demonstrators. Public Information Centres have now been set up in Garrisons to act as a focal point for media enquiries, and arrangements have been made to obtain details of all planned demonstrations, which in any case are now smaller and generally peaceful, and pass advance warning to units. Harassment is not currently a problem.

Information and Advice - Benefits

6. The Services have a network of HIVEs (Help and Information Volunteer Exchanges) which are in a sense Service orientated Citizens Advice BureauX. Additional HIVEs have been opened in locations from which large numbers have been deployed to the Gulf in order to improve coverage. There are now two HIVEs in Munster and one at Bruggen. HIVEs hold stocks of the full range of DSS leaflets, which are available to families who might be concerned about eligibility for benefits, particularly after the loss of a husband.

In addition Family Information Centres have been set up at the permanent base of Regiment and Unit deployed to the Gulf. These centres vary in size from a small room for small units up to a full community centre and coffee room, co-located with the HIVE where possible, for a large unit. Each Family Information Centre has information on what is going on and what welfare facilities are available and is looked on as a "family" unit. Each centre is staffed by the Officer Commanding the unit rear party, who is usually the unit families officer, his warrant officer assistant and other military staff and drivers. Wives are also helping. The staff of the centre are on 24 hour call. There are two centres in Munster, one in Portsmouth barracks and one in York barracks.

F[illegible]nces

7. There are some difficulties with wives complaining that they are uncertain about their finances because of a lack of briefing by their husbands. This is primarily a matter for each individual serviceman, and a signal has been sent to commands asking that they remind all personnel to ensure that their families are properly provided for financially. In cases of difficulty wives can seek assistance from pay staffs. It has been mentioned that wives received a financial benefit if their husbands were in Northern Ireland but not in the Gulf. This, presumably, is a reference to a form of additional pay, recommended by the Armed Forces Pay Review Body, which is paid to personnel (not directly to their wives) serving in the Province. There is no equival ent additional payment for troops in the Gulf, although we are keeping this under review.

ANNEX E

LINE TO TAKE

- In view of collapse of communism in Eastern Europe and the end of the Cold War, it remains our intention to move towards the new force structures by the mid 90s. We will continue to proceed with rationalisation and other support changes in areas that do not affect our efforts in the Gulf, but clearly inappropriate to to make final decisions on the front line.

- The conflict in the Gulf does not invalidate the approach taken last summer which saw the need to retain the capability to react to emergencies such as this. However, lessons learnt from the Gulf will, of course, form part of our future planning.

- Not yet in a position to comment on future of specific units/regiments/arms etc. No area of Army excluded from consideration in Options for Change exercise.

- Hope to limit the extent of any redundancies that may be necessary.

- Still looking to have new force structure in place by mid 90s, but precise timetable for decsions and implementation will depend on many factors including outcome of Gulf crisis; discussions with Allies on NATO strategy, operational concepts and force structures; and developments in our relationship with the Soviet Union.

ANNEX C

ARMY UNDER OPTIONS FOR CHANGE

Background

1. The Options for Change statement last July envisaged an Army of around 120,000; stationed forces in Germany at around half current strength; and a contribution to land defence of central Europe of around two divisions when reinforced.

2. Latest planning assumes an Army of 113,000 by mid '90s. This would include one division to be stationed in Germany in peacetime and one division plus 24 Airmobile Brigade to be based in UK. UK's contribution to NATO would be structured around a British - led multinational Rapid Reaction Corps.

3. The drawdown to new force structure was to have begun with withdrawal of one division equivalent from Germany in 91/92. This and details of units to be disbanded were to have been announced in March.

4. This timetable is now delayed due to OP GRANBY. Implementation of rationalistion measures not affecting forces in the Gulf will, however, proceed.

Mr. Archie Hamilton: At the outbreak of hostilities on 16 January, the United Kingdom had some 35,000 service personnel in the Gulf. Of the other EC member states, France has committed naval, land and air forces; Italy, naval and air forces; Belgium, Denmark, Greece, the Netherlands and Spain have sent naval vessels. In addition the United Kingdom has received assistance from a number of EC countries, including: NBC reconnaissance vehicles from Germany; ammunition from the Netherlands and Germany, and transport from Germany, Belgium, Spain and Portugal. Belgium and Denmark have also offered medical support. We will be discussing with our allies ways in which they might help meet any future needs.

Mr. Mullin: To ask the Secretary of State for Defence whether it is intended that all members of Her Majesty's armed forces based in the Gulf should have been inoculated against hepatitis A; and how many have been.

Mr. Archie Hamilton: Personnel are given immunoglobin where it is judged necessary.

Public Relations

Mr. Dalyell: To ask the Secretary of State for Defence if he will make a statement on the terms of the contract for public relations given to Mr. Peter Gummer of Shandwick.

Mr. Archie Hamilton: I have passed this question to my right hon. Friend the Secretary of State for Foreign and Commonwealth Affairs, who will reply shortly.

HMS Ark Royal

Mr. David Young: To ask the Secretary of State for Defence what requests have been made to him by the United States Government for the transfer of HMS Ark Royal from NATO exercises to an active role in the Gulf; and what was his response.

Mr. Archie Hamilton: We have regular discussions with our United States allies on our contribution to the coalition forces in the Gulf, but no decision has been taken to deploy a Royal Navy carrier group to the region.

"Options for Change"

Mr. Patrick Thompson: To ask the Secretary of State for Defence if he will make a statement on the changes to be made in the Army's logistic support under "Options for Change."

Mr. Archie Hamilton: Work is still continuing in a number of areas to determine the size and shape of the Army's logistic support under "Options for Change". However, as the first stage in this process, it has been decided to close the following establishments with effect from the dates shown in the table.

	Date
Moenchengladbach	
37 Rhine Workshops	31 March 1992
Recklinghausen	
Forward Vehicle Depot	30 September 1991
Krefeld	
232 Mobile Civilian Engineer Group	30 September 1991
Viersen	
Ordnance Services and associated Supply Depot	31 March 1992
Willich	
40 Army Engineer Support Group	31 March 1992
64 (RCZ) Workshop	31 March 1992
Antwerp	
Ordnance Depot and other units at Antwerp Station	31 March 1992

These plans take full account of the need to maintain effective support for our operations in the Gulf. Consultations on the closures have taken place with the appropriate German and Belgium authorities and NATO has been informed.

Royal Navy (Women)

Mr. Grylls: To ask the Secretary of State for Defence if he has plans to widen further the opportunities for the employment of women in the Royal Navy; and if he will make a statement.

Mr. Archie Hamilton: We intend to widen the employment of women as aircrew to enable them to undertake aviation roles in the Royal Navy. Women will be employed initially as pilots, observers and aircrewmen in Sea King anti-submarine warfare and airborne early warning and Lynx anti-submarine and anti-surface warfare helicopters. Employment in the Sea Harriers and Commando helicopters will follow at a later stage. We intend to begin considering women for recruitment as aircrew immediately and also to seek volunteers from within the WRNS.

GENERAL SIR PETER INGE KCB

General Sir Peter Inge was commissioned into the Green Howards from the Royal Military Academy Sandhurst in July 1956. He has served in Hong Kong, Malaya, Libya, West Germany, Northern Ireland and England.

In 1966, he attended the Staff College at Camberley after which he carried out a staff appointment as a Major in the Ministry of Defence. He completed a course at the Joint Services Staff College in 1971 and then became Brigade Major of 11th Armoured Brigade in Minden.

Promoted Lieutenant Colonel in 1972, he joined the Directing Staff at the Staff College at Camberley and then commanded the 1st Battalion the Green Howards in Chester, Northern Ireland and Berlin from 1974 to 1977. On promotion to Colonel in 1977, he was appointed Commandant of the Junior Division of the Staff College at Warminster.

He commanded 4th Armoured Brigade in Munster in 1979 and became Chief of Staff, Headquarters 1st British Corps in 1982. He was also appointed Colonel of the Green Howards in 1982, Colonel Commandant Corps of Royal Military Police in 1987 and Colonel Commandant of the Army Physical Training Corps in 1988.

In 1984, he was appointed Commander North East District and 2nd Infantry Division in York. He became Director General of Logistic Policy (Army) at the Ministry of Defence in February 1986 and assumed command of 1st British Corps in August 1987. He was promoted General and assumed command of Northern Army Group and The British Army of the Rhine on 27 November 1989.

He and his wife Tisha have two daughters.

LIEUTENANT GENERAL SIR CHARLES GUTHRIE KCB LVO OBE

COMMANDER 1ST BRITISH CORPS

Lieutenant General Sir Charles Guthrie was born on the 17th of November 1938. He went to the Royal Military Academy Sandhurst in 1957 and was commissioned into the Welsh Guards in 1959. He served with his Regiment as a young officer in the United Kingdom, Germany and Aden. In 1966 he became a Troop Commander with 22nd Special Air Service Regiment and served in Aden, the Persian Gulf, Malaysia and East Africa. In 1968 as a Squadron Commander still serving with 22nd Special Air Service Regiment he served in the Persian Gulf and the United Kingdom.

He returned to 1st Battalion Welsh Guards in Munster in 1970 to command a mechanised infantry company prior to attending the Staff College at Camberley in 1972.

His first appointment after attending the Staff College was Military Assistant to Chief of the General Staff (Field Marshal Lord Carver and General Sir Peter Hunt). After a year as Second in Command of 1st Battalion Welsh Guards in London and Cyprus in 1976 he assumed the appointment of Brigade Major, Household Division. In 1977 he commanded 1st Battalion Welsh Guards in Berlin and Northern Ireland.

He became Colonel General Staff, Ministry of Defence, in 1980 (Col GS MO2) responsible for military operations and planning world-wide, less Germany and Northern Ireland.

In 1981 he was appointed Commander of the 4th Armoured Brigade in Munster, following which he was Chief of Staff, Headquarters 1st British Corps in Bielefeld.

He was appointed General Officer Commanding the 2nd Infantry Division and North East District in 1985. He was appointed Colonel Commandant of the Intelligence Corps in 1986. He became Assistant Chief of the General Staff in November 1987 and assumed command of the 1st British Corps in October 1989. He was awarded a KCB in the 1990 New Year's Honours List.

He is married to Kate and they have two sons, David aged 17, and Andrew aged 15, who is at school at Ampleforth.

He is a keen skier and tennis player.

PERSONALITY BRIEFS

BRIGADIER J G W DEAN COMMANDER ROYAL ARTILLERY 3RD ARMOURED DIVISION

Brigadier Dean was commissioned into the Royal Regiment of Artillery in December 1967. He has served in BAOR, Northern Ireland, England and Oman.

He Attended Division 2 of the Army Staff Course at Camberley during 1978 and 1979 and then assumed the appointment of Deputy Assistant Adjutant and Quarter Master General in 33 Armoured Brigade. Subsequently he commanded G Battery (Mercer's Troop) in 7th Regiment Royal Horse Artillery in Osnabruck before returning to the Army Staff College Camberley as a member of the Directing Staff. Between 1984 and 1987 he commanded 3rd Regiment Royal Horse Artillery in Paderborn. On promotion to Colonel in 1987 he became Deputy Chief of Staff 4th Armoured Division in Herford and assumed his current appointment in April 1990 having attended the Higher Command and Staff course.

He and his wife Sue have 3 sons (James, Toby and Rupert). His interests include all racket sports, skiing, rugger, gardening and most country pursuits.

LIEUTENANT COLONEL M E A SYMS MBE RCT

Lieutenant Colonel (Mike) Syms was born in 1949 and educated at the City of London School and Royal Military Academy Sandhurst. He was commissioned into the Royal Corps of Transport in 1969. Following a tour as the Chief of Concepts and Plans at Policy Division, Headquarters Allied Forces Central Europe, he assumed command of 8 Regiment RCT in June 1990. In December 1990 he was appointed Station Commander when 4 Armd Bde deployed to the Gulf. Lieutenant Colonel Syms is married to Mary and they have three daughters, two at school in UK and one at Oxford School here in Münster.

CAREER BRIEF CB/184/A2

Sir Roger PALIN, KCB OBE MA psc

Date of Birth	:	8 July 1938
Place of Birth	:	London
Commissioned	:	21 January 1963

MAIN COURSES

RAF Staff College, Bracknell	:	No 63 Staff Course	1973

PROMOTIONS

Squadron Leader	:	1 January 1970
Wing Commander	:	1 January 1975
Group Captain	:	1 January 1980
Air Commodore	:	1 January 1984
Air Vice-Marshal	:	1 January 1986
Air Marshal	:	14 April 1989

APPOINTMENTS

No 56 (Lightning) Squadron RAF Wattisham/Akrotiri	:	Squadron Pilot	6/65
No 92 (Lightning) Squadron, Gutersloh	:	Flight Commander	1/70
Ministry of Defence, London	:	Personal Staff Officer to Air Member for Personnel	1/74
No 43 (Phantom) Squadron Leuchars	:	Squadron Commander	12/75
Ministry of Defence, London	:	Air Plans 1	5/78
Washington DC	:	Woodrow Wilson Scholarship	1/79
RAF Wildenrath	:	Station Commander	3/81
Ministry of Defence, London	:	Deputy Director Long Term Costings & Rest of the World (RAF)	2/83
Ministry of Defence, London	:	Director of Defence Programmes Staff (Policy & Programmes)	10/83
Ministry of Defence, London	:	Director of Defence Programmes	1/85
Ministry of Defence, London	:	Assistant Chief of the Defence Staff (Programmes)	2/86
Headquarters No 11 Group, RAF Bentley Priory	:	Air Officer Commanding	7/87
Headquarters Royal Air Force Germany	:	Commander-in-Chief & Commander Second Allied Tactical Air Force	4/89

CAREER BRIEF

CB/62/A1

Anthony John HARRISON OBE ndc aws cfs

Date of Birth	:	9 November 1943
Place of Birth	:	Suffolk
Commissioned	:	22 February 1963

MAIN COURSES

National Defence College Latimer	:	No 11 Course	1/81
Royal Air Force College Cranwell	:	No 55 Air Warfare Course	1/88

PROMOTIONS

Squadron Leader	:	1 July 1975
Wing Commander	:	1 January 1981
Group Captain	:	1 January 1989

APPOINTMENTS

No 213 (Canberra) Squqadron, RAF Bruggen	:	Pilot	5/65
No 1 Flying Training School RAF Linton-on-Ouse	:	Qualified Flying Instructor	1/69
No 2 Flying Training School RAF Church Fenton	:	Qualified Flying Instructor	9/69
No 5 (Chipmunk) Squadron RAF Little Rissington	:	Qualified Flying Instructor	9/70
No 6 (Phantom FGR2) Squadron RAF Coningsby	:	Pilot	11/73
Headquarters No 11 Group, RAF Bentley Priory	:	Squadron Commander	12/79
No 31 (Phantom FGR2) Squadron RAF Bruggen	:	Pilot	10/74
No 56 (Phantom FGR2) Squadron RAF Wattisham	:	Qualified Flying Instructor	3/76
No 228 Operational Conversion Unit RAF Coningsby	:	Squadron Commander	12/76
Headquarters No 11 Group RAF BentleyPriory	:	Air Staff Training	2/79
No 3 Flying Training School, RAF Leeming	:	Instructor to HRH Prince Andrew	12/79
No 617 (Tornado) Squadron, RAF Marham	:	Squadron Commander	1/83
Ministry of Defence, London	:	Defence Concepts Studies 12	6/85
Royal Air Force College, Cranwell	:	Director, Department of Initial Officer Training	3/88
RAF Bruggen	:	Officer Commanding	12/89

CONFIDENTIAL

RE SRW
GO

MINISTRY OF DEFENCE
MAIN BUILDING WHITEHALL LONDON SW1A 2HB
Telephone 071-21 82111/3

MO 3/20J

9th February 1991

Dear Charles

PRIME MINISTER'S CALL ON CHANCELLOR KOHL: LOW-FLYING

If a suitable opportunity arises, it would be helpful if the Prime Minister raised the issue of low-flying in Germany by RAF aircraft during his meeting with Chancellor Kohl on 11th February.

For some years, the German Government has faced domestic pressure about military low-flying and various control systems were introduced for Allied aircraft. With a clear eye to forthcoming elections, the Government decided last August that they would no longer allow military flying down to 250 feet during training; the minimum level would now be 1000 feet. The Defence Secretary asked his German counterpart, Dr Stoltenberg, for an exemption for training associated with our commitment in the Gulf. Dr Stoltenberg agreed to a very limited two weeks of training of Tornado Squadrons for the Gulf. The Defence Secretary wrote again to Dr Stoltenberg in October seeking a further extension for Gulf-related training but this was turned down (on the instructions, we understood, of Chancellor Kohl).

As will have been apparent during Operation DESERT STORM, low flying is crucial to RAF methods of operation. With the German elections over and the importance of low-flying clearly demonstrated during the air campaign against Iraqi forces, the Prime Minister might open up the matter again. He could say that, in the light of current action in the Gulf and the proven need for Allied pilots to maintain a constant state of operational capability, he hopes that Chancellor Kohl might be able to look again at low-flying training for RAF pilots in Germany. He might suggest that officials might look at this jointly and put proposals to Dr Stoltenberg and to the Chancellor.

I am sending a copy of this letter to Richard Gozney (FCO).

Yours sincerely

Susan Ambler-Sleeman

pp (S WEBB)
Private Secretary

Sir Charles Powell KCMG
No 10 Downing Street

CONFIDENTIAL

8/2/91

TRANSLATION OF LETTER 8 FEBRUARY FROM THE LORD MAYOR OF THE CITY OF MÜNSTER TO THE PRIME MINISTER

Your Excellency,

In the name of the Council and Administration of the city of Münster I welcome you most warmly to our city. We rejoice at your visit and are grateful that you have given courage and confidence to the dependents of the British army of the Rhine in this difficult time.

We are particularly glad that you have survived the cowardly terrorist attack without harm.

The people of our city stand in solidarity with the dependents of the soldiers of the British army of the Rhine. In recent weeks we have seen many signs of their close links and heart-felt sympathy.

The Münster City Council has expressed its solidarity with the allied troops, and particularly British soldiers, in a resolution. Among other things the resolution of the Münster City council reads: "Our American, British and French allies together with neighbours in the region, bear the main burden of the defence of justice and freedom in this conflict. They have a claim on our solidarity. This is especially so for the dependents of the British Army of the Rhine stationed in Münster and for those of the Bundeswehr and of the other NATO forces in this city".

I am extremely sorry that I cannot welcome you personally to our city. I had already commited myself to a visit of solidarity to our Israeli twin city Rishon l Zion. I hope you will understand that this gesture of solidarity with our twin city could not simply be cancelled. The Mayoress will represent me in greeting you warmly in the name of the citizens, Council and administration.

Allow me, in conclusion, to mention that the city of Münster's oldest twinning is with York. We have a great number of warm, good contacts with York.

Once more you are very welcome.

[Conventional ending]
Dr Jörg Twenhöven

DER OBERBÜRGERMEISTER DER STADT MÜNSTER

8. Februar 1991

Exzellenz,

im Namen von Rat und Verwaltung der Stadt Münster begrüße ich Sie sehr herzlich in unserer Stadt. Wir freuen uns über Ihren Besuch und sind dankbar dafür, daß Sie in schwerer Zeit den Angehörigen der Britischen Rheinarmee in Münster Mut und Zuversicht geben.

Wir freuen uns besonders darüber, daß Sie den feigen Anschlag von Terroristen unbeschadet überstanden haben.

Die Bevölkerung unserer Stadt steht in Solidarität zu den Angehörigen der Soldaten der Britischen Rheinarmee. Es hat in den letzten Wochen eine Fülle von Zeichen der engen Verbundenheit und des herzlichen Mitgefühls gegeben.

Der Rat der Stadt Münster hat ausdrücklich in einer Resolution seine Solidarität mit den alliierten Truppen und besonders den britischen Soldaten aus Münster bekundet. In der Resolution des Rates der Stadt Münster heißt es unter anderem: "Unsere amerikanischen, britischen und französischen Verbündeten tragen gemeinsam mit den Nachbarn in der Region bei der Verteidigung

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von Recht und Freiheit in diesem Konflikt die Hauptlast. Sie haben Anspruch auf unsere Solidarität. Dies gilt insbesondere auch für die in Münster stationierten Angehörigen der Britischen Rheinarmee, der Bundeswehr sowie der anderen Nato-Streitkräfte in dieser Stadt."

Ich bedaure außerordentlich, daß ich Sie nicht persönlich in unserer Stadt willkommen heißen kann. Ich hatte aber unserer israelischen Partnerstadt Rishon le Zion für diesen Termin die feste Zusage zu einem Solidaritätsbesuch gegeben. Ich bitte sehr herzlich um Ihr Verständnis, daß diese Geste der Solidarität mit unserer Partnerstadt nicht einfach zurückgenommen werden konnte. Die Bürgermeisterin wird Sie in meiner Vertretung herzlich im Namen der Bürger, im Namen des Rates und der Verwaltung begrüßen.

Lassen Sie mich zum Schluß nur erwähnen, daß die älteste Städtepartnerschaft der Stadt Münster mit York besteht. Es gibt eine Fülle von herzlichen, guten Kontakten nach York.

Nochmals seien Sie herzlich willkommen.

Mit vorzüglicher Hochachtung

Dr. Jörg Twenhöven

PRIME MINISTER

MEETING WITH CHANCELLOR KOHL

You are going over to Bonn on Monday for a talk with Chancellor Kohl followed by lunch. He is determined to treat you proper, so when you arrive at the Federal Chancellery there will be a Guard of Honour to inspect and a band. I did my best to dissuade them but he likes that sort of thing. You then have about an hour and a quarter to talk, followed by another hour over lunch (with any luck it will be one of his favourite delicacies like pig's stomach, and he will be deeply disappointed if you fail to have at least two helpings). The idea is that the two of you will then do a brief press conference of 15 minutes before you helicopter away to visit the families of British forces.

As you well know, Old King Kohl really is a merry old soul and will certainly be in an expansive mood for your meeting. For expansive read also discursive. You may have to work quite hard to get all the points in that you want to make. He lives and breathes politics, so it is best to concentrate on the broad political aspects and the issues rather than get down into the sub-clauses.

There is some full, indeed overfull briefing, from the FCO in the folder, together with the records of the Foreign Secretary's recent meeting with him, and a telegram from our Ambassador.

I think the main issues you will want to cover are those set out below in approximate order of priority.

The Gulf

You will want to start by thanking him once more for Germany's generous financial support, which we very much appreciate and which has been well received in Britain.

You might then take him into your confidence with a full briefing about the present situation in the Gulf and our intentions, particular as regards the beginning of a land campaign. You

might also let him in on your thinking about how the conflict might need and future security arrangements in the area. All this is something which you have to offer him.

Europe

There are actually quite a lot of differences between us and the Germans on the substance of the two IGCs. They are difficult on EMU, and you will find that Kohl tends to shy away from talking about the substance on this. They are over-ambitious on political union, notably on increased powers for the European Parliament and on a common foreign and security policy.

I suggest that you make the main themes of your approach to him: first our willingness and desire to work very closely with the Germans, as evinced at Rome: and secondly your political need not to be rushed during the IGCs. We want to take them nice and slow. You might also sketch out for him in political terms the sort of approach you envisage to economic and monetary union i.e. opting-in: it is the sort of thing he readily understands.

Yes. As long as Germans don't leak it.

Soviet Union

The Germans have a severe attack of the jitters about developments in the Soviet Union. They have invested a great deal of political capital in relations with Gorbachev. Now they see a real risk that their investment will be lost and that the arrangements they have negotiated with him e.g. for getting Soviet troops out of East Germany will be called into question. Their response is to cling to nurse, and they are not at all keen on interrupting assistance to the Soviet Union or any other signal of disapproval for what is happening in the Baltics.

You might say that you believe in sustaining Gorbachev the Reformer, but not the Gorbachev the Oppressor and tool of the army and KGB. We have got to act very skilfully over the next few months to give Gorbachev and the Soviet machine generally every incentive to stay on the path of reform and avoid overt repression in the Baltic Republics and elsewhere. You might tell

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Temporarily retained C Wayland, 22/6/17

him about your own intended visit to Moscow in early March, with this strategy in mind.

Turkey

Kohl told the Foreign Secretary that he would like to talk to you about Turkey and the Foreign Office have obligedly written you a long letter on the subject. There is not a lot definitive that can be said. We know that Turkey is important, particularly in NATO. We want it to be westward looking rather than drawn too close into the Muslim world. We need Turkey's cooperation to solve the Cyprus problem. All these are good reasons to be nice to Turkey.

And the Greeks are determined to make the EC's relations with Turkey just about as difficult as possible. This is a hard circle to square: we want a lot from Turkey but don't have much to give. The best you can do, I think, is agree that we both continue to consult very closely on the handling of Turkey and try to manipulate developments in the EC so as to avoid putting Turkey's nose out of joint.

South Africa

This warrants a brief exchange. Kohl is generally sound about sanctions while Genscher is distinctly wobbly. You want to get Kohl firmly aboard for a big push to get rid of all the remaining economic, trade and people sanctions.

GATT

You will want to enlist Kohl's help to lean on President Mitterrand to make progress in the GATT negotiations.

European People's Party

You will want to mention that you had been intending to see Dr. Klepsch in London on Monday (he is a friend of Kohl's) but will now see him later in the month). The EDG are keen to join

the EPP Parliamentary Group in the European Parliament. You would be very grateful for any help Kohl could give with other party leaders: the Dutch and Belgians tend to be particularly difficult.

The Initiative

I have been thinking whether there is any particular proposal you can make, which will appeal to Kohl, about closer cooperation. We already have the sort of contacts with his office on a systematic basis which we are now instituting with the French. What I think he would most like would be an invitation to stay somewhere in the UK with you one weekend when the weather is better in the spring, plus wives. Somewhere attractive, picturesque even, with some good food and a local town where he could walk about (he is a great walker). Somewhere like Devon or the Lake District. You might at least suggest the weekend if not yet the precise site.

Sharrow Bay Hotel, Lake District.

CD?

CHARLES POWELL
8 February 1991

c:\foreign\kohl (ecl)

024335
MDADAN 7654

Very interesting text
P.S. is A.W.O.C.
8.2

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PRIME MINISTER'S MEETING WITH KOHL: 11 FEBRUARY

SUMMARY

1. KOHL'S GOVERNMENT STRONGLY PLACED BUT FAILING TO TAKE ADVANTAGE OF THIS. THE DOMESTIC CHALLENGE - DEVELOPMENT OF EAST GERMANY - IS NOT BEING GRIPPED AND THE FOREIGN POLICY CHALLENGE, THE GULF, WAS GRIPPED LATE. GERMANS ARE CONSCIOUS OF THE INEPTITUDE OF HAVING ALIENATED ALLIES SO SOON AFTER RECEIVING MUCH HELP OVER UNIFICATION. THOUGH PUBLIC OPINION AND THE GOVERNMENT ARE NOW CLEARLY BEHIND OPERATION DESERT STORM, THERE COULD BE FURTHER WOBBLES. ANGLO-GERMAN RELATIONS AT GOVERNMENT LEVEL GOOD, BUT UNHAPPINESS HERE AT BRITISH MEDIA CRITICISM OF GERMANY.

2. OPPORTUNITY ALSO TO PUT ACROSS UK VIEWS ON COMMON EUROPEAN FOREIGN AND SECURITY POLICY AND ON GATT. KOHL WILL WANT TO COMPARE NOTES ON SOVIET UNION.

DETAIL

3. KOHL HEADS A GOVERNMENT WITH GREAT ADVANTAGES - THE ACHIEVEMENT OF UNIFICATION, THE RECENT ELECTION VICTORY AND AN EXPANDING ECONOMY. BUT THE PERCEPTION HERE IS THAT THE GOVERNMENT IS NOT PERFORMING WELL. TOO LONG WAS TAKEN TO NEGOTIATE THE POLICIES AND PERSONALITIES OF THE COALITION. IT HAS BARELY GOT DOWN TO TACKLING THE BIG DOMESTIC ISSUE - THE DEVELOPMENT OF EAST GERMANY. THE ECONOMIC SITUATION THERE IS BECOMING CRITICAL. THE CABINET'S DECISION ON 6 FEBRUARY TO INTRODUCE A LAW TO FACILITATE THE HANDLING OF PROPERTY CLAIMS WAS A NECESSARY BUT INSUFFICIENT MOVE TO ACCELERATE INVESTMENT IN THE EAST.

ANGLO-GERMAN RELATIONS

4. KOHL IS DELIGHTED AT THE GOOD START TO HIS RELATIONSHIP WITH THE PRIME MINISTER, AND WILL BE KEEN THAT THIS MEETING SHOULD DEVELOP IT FURTHER AND BE SEEN TO DO SO. HE WAS QUICK WITH HIS

MESSAGE OF SYMPATHY ON 7 FEBRUARY CONCERNING THE TERRORIST ATTACK ON NUMBER TEN. AT GOVERNMENT TO GOVERNMENT LEVEL, BILATERAL RELATIONS ARE GOOD. KOHL'S REMARK IN HIS GOVERNMENT POLICY STATEMENT ON 30 JANUARY THAT RELATIONS WITH THE UK WERE OF 'OUTSTANDING IMPORTANCE' WAS NOVEL AND A DELIBERATELY FRIENDLY GESTURE DESIGNED TO UPGRADE PUBLICLY THE IMPORTANCE OF THE RELATIONSHIP. ON THE OTHER HAND, THE SHARP CRITICISM IN THE BRITISH PRESS OF GERMANY'S BEHAVIOUR OVER THE GULF HAS BEEN VOLUMINOUSLY REPORTED HERE AND CONSIDERABLY RESENTED, EVEN THOUGH MANY PEOPLE REGRET THE PERFORMANCE OF THEIR GOVERNMENT.
THE GULF

5. A LEADING GERMAN NEWSPAPER COMMENTED ON 6 FEBRUARY THAT THE GERMANS, WHO BADLY WANT TO BE EVERYBODY'S FRIEND, ARE CURRENTLY ON EVERYBODY'S BLACKLIST. THE GOVERNMENT HAS FACED REAL DIFFICULTY AND HANDLED IT CLUMSILY. ON THE ONE HAND, GERMAN PUBLIC OPINION INITIALLY SHOWED STRONG DISAPPROVAL OF THE COUNTER ATTACK ON IRAQ AS WELL AS A WISH THAT GERMANY SHOULD REMAIN MILITARILY UNINVOLVED. ON THE OTHER HAND THERE WERE THE DEMANDS BY BONN'S ALLIES FOR A CONTRIBUTION BEFITTING GERMANY'S WEALTH AND PAST BENEFITS FROM NATO AND PRESENT INTERESTS IN STABILITY IN THE GULF. A FEW DAYS INTO DESERT STORM, POLLS SHOWED PUBLIC OPINION SWINGING TO ITS SUPPORT. THEN SOME LEADER WRITERS CALLED FOR ACTS OF SOLIDARITY FROM THE GOVERNMENT. THERE WAS A DEBATE ON WHETHER AN IRAQI ATTACK ON TURKEY WOULD ACTIVATE THE NATO OBLIGATION OF MUTUAL DEFENCE, WITH DEPLORABLE SUGGESTIONS WITHIN GOVERNMENT AS WELL AS FROM THE OPPOSITION THAT US AIR FORCE OPERATIONS FROM TURKEY (IN FULFILMENT OF UN RESOLUTIONS) MADE THAT OBLIGATION INAPPLICABLE. THEN, ON THE 13TH DAY AFTER THE START OF THE COUNTER ATTACK ON IRAQ, THE FEDERAL CABINET DECIDED TO PROVIDE MONEY TO THE USA AND BRITAIN AND ARMS TO TURKEY AND ISRAEL. KOHL AND GENSCHER SPOKE FIRMLY FOR OUR CAUSE. SO GERMANY BELATEDLY DID WHAT IT COULD TO SUPPORT DESERT STORM, BUT REMAINS UNABLE TO PARTICIPATE IN THE WAR BECAUSE MANY PEOPLE HERE BELIEVE (THOUGH KOHL HIMSELF DOES NOT) THAT THE CONSTITUTION EXCLUDES THE DEPLOYMENT OF THE BUNDESWEHR OUTSIDE THE NATO AREA. THE DOMESTIC BACKGROUND REMAINS FRAGILE. THE POLLS CONTINUE TO SHOW A BARE MAJORITY OF WEST GERMANS IN FAVOUR OF THE BUNDESWEHR HELPING TO DEFEND TURKEY, WITH A LARGE MAJORITY OF EAST GERMANS AGAINST. THERE IS A WORRYING RISE IN THE NUMBER OF CONSCIENTIOUS OBJECTORS. THE SPD IS CALLING FOR A CEASEFIRE IN THE GULF AND WITHDRAWAL OF THE BUNDESWEHR FROM TURKEY. IF THERE IS MUCH BLOODSHED IN THE LAND BATTLE GERMAN PUBLIC OPINION COULD WELL SWING AGAIN.

TO BE PRIME MOVERS IN THE DEBATE RATHER THAN HAVING TO REACT TO THE PROPOSALS OF OTHERS.

SOVIET UNION AND THE BALTICS

9. THE FEDERAL GOVERNMENT IS MUCH PREOCCUPIED BY THE STATE OF THE SOVIET UNION. IN A SPEECH AT DAVOS ON 3 FEBRUARY GENSCHER DEVOTED THREE TIMES AS MUCH SPACE TO GORBACHEV AS TO THE GULF, ARGUING THAT THE SOVIET LEADER STILL DESERVED TO BE GIVEN THE BENEFIT OF THE DOUBT. WITH SOVIET RATIFICATION OF THE 2+4 TREATY NOT CERTAIN AND A MASSIVE SOVIET ARMY STILL IN EAST GERMANY, THE GERMANS HAVE STRONG INCENTIVES, FOR THE MOMENT AT LEAST, TO GO ON SAYING THAT. PRIVATELY THEY ARE HOWEVER WORRIED - AND REALISTIC - ABOUT GORBACHEV'S SWING TOWARDS REACTION AND ITS POSSIBLE CONSEQUENCES. I SUGGEST THAT THE PRIME MINISTER SHOULD STRESS OUR KEENNESS TO LIAISE CLOSELY OVER POLICY TOWARDS THE SOVIET UNION.

GATT

10. ON THIS THE PRIME MINISTER IS LIKELY TO FIND KOHL ON THE DEFENSIVE: HIS OFFICIALS SAY HE MAY NOT WANT TO DISCUSS IT THOUGH HE WILL BE BRIEFED. THE GERMANS WOKE UP BELATEDLY TO THE RISKS FOR US-EUROPEAN RELATIONS AND FOR WORLD TRADE IF THE URUGUAY ROUND COLLAPSES, AND SAY THEY ARE KEEN TO FIND A SOLUTION. THE PRIME MINISTER COULD SAY THAT A ROW ON THIS WITH THE USA IS THE LAST THING GERMANY OR EUROPE SHOULD COURT AT PRESENT. KOHL IS THOUGHT LIKELY TO BE UNWILLING TO SIGNAL IN ADVANCE HOW GERMANY WOULD VOTE IN THE COUNCIL OF MINISTERS, IF IT CAME TO THAT, BUT OFFICIALS ARE CONFIDENT THAT HE WILL NOT BLOCK A SOLUTION IF ONE EMERGES. THE POINT NEEDS TO BE MADE HOWEVER THAT UNLESS HE EXERTS HIMSELF, NO SOLUTION WILL EMERGE. GERMAN OFFICIALS STILL THINK THAT AN EMERGENCY EUROPEAN COUNCIL MAY IN THE END BE NEEDED TO CLINCH A DEAL.

MALLABY

YYYY

Foreign and Commonwealth Office

CONFIDENTIAL London SW1A 2AH

8 February 1991

Dear Charles,

Prime Minister's Visit to Bonn: 11 February 1991

The delay in forming a new government after the all-German elections on 2 December slowed German reactions to events in the Baltics and the Gulf. But increasing press criticism and the shock of the SCUD attacks on Tel Aviv led Chancellor Kohl to restate support for the international coalition and offer a greater financial contribution. The polls now show 70% support for armed intervention against Iraq, after 80% opposition before the 15 January deadline. But a majority remain opposed to German military involvement (and the traditional pre-Lent carnival and unofficial holiday on 11 February has been cancelled because of the war). The new Government (formed 18 January) is now mending fences with its friends. Kohl will be keen to talk to the Prime Minister - and to be seen to do so. We have an opportunity to deepen our dialogue with the Germans, increase our influence on key issues and show that press accounts of a rift over the Gulf are wrong.

Bilateral

The German Government policy statement of 30 January included an unprecedented reference to Anglo-German relations as of "outstanding importance". I enclose a record of the Foreign Secretary's call on Kohl on that day. The next Anglo-German Summit will be in Bonn on 11 March. Chancellor Kohl will receive an honorary degree at Edinburgh University on 23 May. The Prime Minister might like to:

- stress our keenness to involve British business in helping to integrate the former GDR and to encourage English-language training.

The Prime Minister will not wish or be able to discuss all the topics listed below, but they provide a quarry for the meeting.

/Gulf

Gulf Crisis

The German financial commitment to the allied forces is some DM15.6 billion, including DM800 million (£275 million) pledged to the UK. The Germans earlier gave us equipment worth DM60m (£20m) and have also agreed to help meet our request for artillery ammunition and a Boeing 707 for medical evacuation between Cyprus and the UK. They have committed large sums to the US, Israel, Egypt, Jordan and Turkey.

The Prime Minister might wish to:

- thank the Germans again for their assistance. (If Chancellor Kohl raises the possibility of using the DM 800 million for support activities only (as the SPD might like), the Prime Minister might say that this would cause us some difficulty. We need help towards the cost of the conflict. Japan has already made this condition, and there is a limit to how much can be spent in support activity.);

- underline the importance of a collective effort to underpin the security of the Gulf after the conflict (the Foreign Secretary explained our thinking to Genscher on 30 January, but Genscher said little);

Soviet Union/Baltics

German analysis of the situation in the Baltics has not been greatly different from ours, and they have gone along with the measures designed to bring home our concern to the Russians. But their response has been coloured by concern about Soviet ratification of the 2+4 Treaty and the remaining Soviet forces in Germany. We do not have details of any recent contacts between the German and Soviet leaderships, but Gorbachev has apparently telephoned Chancellor Kohl since the crackdown in the Baltic States.

Gorbachev's priorities are the integrity of the USSR and re-asserting central control. Recent Soviet interlocutors (including the new Soviet Foreign Minister and Gorbachev's Foreign Policy Adviser) have stressed that Gorbachev remains committed to reform, but a series of measures have been designed to strengthen the position of the Security forces and are likely to reduce further the prospects of real economic reform.

The Prime Minister might concentrate on how the West can use its limited influence to persuade the USSR to return to the path of reform. He could draw on the following points:

- International response so far has struck right note.

?. G. gulf anxious to keep us off Baltic comments ??

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- should keep public attention on issue (eg by parliamentary visits). Need to look at wider implications of recent events (eg for CFE ratification), and how West should respond. Need to keep USSR on side over Gulf and ensure withdrawal from Eastern Europe goes ahead on schedule.

- Mixed signals coming from Moscow. Gorbachev/Soviet leadership seem reluctant to carry through the crackdown. Still looking for political way out: delegations sent to Baltic States. May have been swayed by strength of our reaction.

- But worrying signs also: greater powers for KGB; joint army/police patrols; more active intervention by Government/Party in media affairs. Wider intentions of central Soviet leadership still not clear.

- Must continue trying to convince Soviet leadership that political and economic liberalisation offer only real answer; delay can only make their introduction more difficult. Main victims of reaction would be USSR and its people - not the West.

- Should in parallel continue to make clear that we genuinely support real reform directed at making the Soviet Union work: not our intention to undermine or dismantle USSR.

- This will be my message during visit to Moscow (now fixed for 5/6 March, but not yet announced publicly).

GATT

In the run up to their elections, the Germans supported the restrictive French position on agriculture. Since then, Chancellor Kohl has recognised the need for more EC flexibility.

The US game-plan remains uncertain. They continue to maintain that some significant progress, including movement by the EC on agriculture, will be needed by 1 March if Congress are to agree to extend the fast track. Herr Kohl is said to favour a Special European Council to put pressure on President Mitterrand and give himself cover domestically. We see no need for this. Progress on CAP reform is now further delayed by the negative response in Agriculture Council to the Commission's proposals. This makes it even more important to make separate progress in GATT.

The Prime Minister might say:

- Successful GATT Round vital. Failure would be very damaging to transatlantic relations. These need to be in good repair as we face challenge of Gulf and Soviet Union.

- Time is very short. Rapid agreement in EC interest: need to keep up momentum. And even if US Administration ready to propose extension of fast track, they will need substantial progress in advance if Congress to be convinced.

- Must not be distracted by internal discussion of CAP reform. Commission must negotiate flexibly in GATT, to make immediate progress on the two areas of key concern to GATT partners: export subsidies and import access.

- Know you have given some thought to possible role of European Council. Do not see a case for a Council at this stage. But would not rule it out if negotiations stall. Risk that meeting would tie Commission's hands more firmly. Could we be sure that the French would agree to a more flexible position?

EC/Turkey (see separate letter)

EC Internal Issues

The EC is central to German domestic and foreign policy. But there are real differences in UK and German views on some key areas of current EC business: eg EMU, political union, frontiers, and the CAP and social dimension. The Prime Minister could make the general points that:

- UK and FRG should examine areas of business (eg Single Market) where they can make common cause.

On the EMU IGC, we need to convince the Germans that Stage II will be substantial. The Prime Minister may wish to say that:

- UK convinced we will come to an agreement of twelve. Happy to see others (French, Spanish) building on our EMF/hard ecu proposals to meet their aspirations.

- Both we and Germans want arrangements that are anti-inflationary and have tough economic convergence criteria for moves between stages.

- Rome I Conclusions advocated a substantial Stage II (at least 3 years) with a central institution given real monetary responsibilities: UK ideas would meet German concern for convergence and price stability without confusion of monetary roles.

- [If necessary] German proposals for binding rules on budget deficits cause us real problems: must find a way of preventing excessive deficits while making it perfectly clear that responsibility for economic policy rests with national authorities.

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Germany's objective in the political union IGC is to make concrete progress towards their goal of a decentralised federal European Community based firmly on the principle of subsidiarity. Chancellor Kohl is particularly concerned to increase the powers of the European Parliament. The Germans share many of our concerns on a common foreign and security policy and future European defence arrangements (see comments below on the Alliance issues). Our aim is to maximise common ground. The Prime Minister might like to draw on the following points:

- we must develop greater unity in our views on foreign and security issues. But we must be realistic. As common interests develop, so will common policies. Majority voting is not right for foreign policy decisions, and all member states need to retain the freedom to take national initiatives when necessary.

- We share German views on importance of subsidiarity and should work together to establish a clear definition in the Treaty.

- Where the Community acts, it must do so efficiently. We have therefore proposed measures to improve the implementation of Community law and compliance with it. Hope Germany will support.

- We recognise the need to strengthen the European Parliament in some areas (to improve financial accountability, for example), but believe the role of national parliaments in the European process must also be recognised. The two should collaborate, not compete.

Alliance Issues

On future European security arrangements, the Germans and the French have circulated a joint paper to follow up the Kohl/Mitterrand letter of December. It contains good language on the continuing role of the Alliance, and the need to build up the European pillar within the Alliance, and on the WEU's role as a channel of co-operation between the Twelve and NATO. But it diverges from our own approach in specifying a longer-term objective of establishing common European defence as part of the "Common Foreign and Security Policy" of the Twelve, and strongly reflects French views on merging the WEU into the European "Union".

The Prime Minister might say:

- Like France and Germany, we emphasise the continuing importance of the Alliance, and the WEU's role as a channel of co-operation between the Political Union and NATO.

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- Our main point of difference is over the long term objective of bringing European defence into the "Union".

- Our common purpose should be to achieve a new synthesis of the European defence identity and the transatlantic relationship, to provide a durable and practical collective defence for the post-Cold War era.

- IGC must be looked at together with NATO Review. A package which successfully achieved this, with related decisions at IGC and NATO Summits late this year, would be a big prize. Britain and Germany should work together to bring this about.

- Danger (for example in proposals for de facto merger of WEU and Twelve) of creating separate military structures outside NATO which would weaken the Alliance. Alliance must remain the primary military structure for European defence.

- Great deal of common ground in UK/German thinking. Would also see advantage in more tripartite UK/German/French policy making.

I am copying this letter to Martin Stanley (DTI), Simon Webb (MOD) and John Gieve (HM Treasury).

Yours ever,

Christopher Prentice.

(C N R Prentice)
Private Secretary

Sir Charles Powell
10 Downing Street

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FROM PRIVATE SECRETARY
SECRETARY OF STATE'S TALKS WITH CHANCELLOR KOHL : BONN, 30 JANUARY : SUMMARY

1. THE SECRETARY OF STATE SPENT AN HOUR AND A QUARTER WITH KOHL LATE ON 30 JANUARY. THE CHANCELLOR WAS EXUBERANT, KEEN TO TALK OPENLY, AND TO ESTABLISH A BILATERAL DIALOGUE ON SOME DIFFICULT SUBJECTS. EARLIER IN THE DAY HE HAD SPOKEN IN THE BUNDESTAG FOR 2 AND A HALF HOURS AND THEN ADDRESSED THE PRESIDENTS OF THE LANDERS. BUT HE SHOWED NO SIGN OF WEARINESS. OVERALL HE GAVE THE IMPRESSION OF A LEADER WHO HAD ACCOMPLISHED MANY OF THE GOALS OF HIS POLITICAL CAREER AND CONSIDERED THE JOB WELL DONE, BUT WHO HAD A FEW ITEMS LEFT ON HIS AGENDA.

2. ON GULF BURDENSHARING THE CHANCELLOR REGRETTED THAT HIS HANDS WERE TIED BY THE PROVISIONS OF THE CONSTITUTION, SO THAT HIS GOVERNMENT COULD NOT SEND TROOPS TO THE GULF. BUT HE WAS STILL THE SAME MAN WHO HAD SEEN THROUGH NATO'S DOUBLE DECISIONS ON INF. PERHAPS THIS POINT COULD BE MADE TO THOSE IN BRITAIN WHO WROTE SILLY THINGS ABOUT HIM. KOHL TOLD THE SECRETARY OF STATE THAT GERMANY WOULD GIVE THE UK DM800 MILLION TOWARDS COSTS IN THE GULF. IN ADDITION THE GERMANS WOULD MEET A REQUEST THE UK HAD JUST MADE FOR MILITARY MATERIAL. THE CONTRIBUTION AND THE DECISION TO SUPPLY THE UK WITH MILITARY EQUIPMENT COULD BE ANNOUNCED THAT EVENING. ON THE MIDDLE EAST THE SECRETARY OF STATE SPOKE OF THE DANGER OF A MIDDLE EAST CONFERENCE WHICH FAILED. KOHL BELIEVED THAT THE OUTCOME OF THE CONFERENCE WOULD HAVE TO BE SETTLED IN ADVANCE. BUSH AND BAKER WERE MORE INCLINED TO TAKE A CONSTRUCTIVE ATTITUDE TO THE PALESTINE QUESITON THAN THEIR PREDECESSORS. KOHL AGREED THAT THE UK AND GERMANY MIGHT KEEP IN TOUCH, AFTER THE GULF HOSTILITIES, AS THEY ENCOURAGED THE AMERICANS TO EXERT THE RIGHT SORT OF PRESSURE ON THE ISRAELIS.

3. ON THE SOVIET UNION KOHL THOUGHT THAT GORBACHEV WOULD ADVANCE THE WITHDRAWAL OF SOVIET TROOPS FROM THE FORMER GDR FROM 1994 SINCE LEAVING THEM THAT LONG WOULD CREATE MORE TROUBLE THAN WAS WORTHWHILE. KOHL SAID HE HAD WARNED GORBACHEV THAT HE WOULD NOT BE ABLE TO PREVENT THE SECCESSION OF THE BALTIC STATES. ONE OR TWO OTHER REPUBLICS SUCH AS ARMENIA MIGHT BE IN A SIMILAR POSITION, BUT IN GENERAL (AND WITH THE POSSIBLE FURTHER EXCEPTION OF THE ROMANIAN/HUNGARIAN BORDER), BORDERS SHOULD BE REGARDED AS SACROSANCT.

4. ON DOMESTIC GERMAN POLITICS, THE CHANCELLOR CLAIMED TO BE EVEN BETTER OFF THEN IF HE HAD WON AN ABSOLUTE MAJORITY IN THE ELECTION IN DECEMBER 1990. HIS COALITION PARTNER HAD NOWHERE ELSE TO GO.

5. ON TURKEY OZAL WAS A GOOD FRIEND BUT MADE MISTAKES AND KOHL DID NOT TRUST HIM TO DO THE RIGHT THING FOR THE KURDS. KOHL HAD TO WATCH THE POLITICAL CONSEQUENCES OF THE PRESENCE OF 2 MILLION KURDS IN GERMANY. HE AGREED WITH THE SECRETARY OF STATE THAT FINDING THE RIGHT APPROACH TO TURKEY AFTER THE GULF HOSTILITIES WOULD BE DIFFICULT AND FAVOURED A UK/GERMAN DIALOGUE ON THE BEST WAY FORWARD. HE HAD TALKED FIRMLY TO OZAL ON CYPRUS.

6. SEE MY 4 IFTS (NOT TO ALL).

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Foreign and Commonwealth Office

CONFIDENTIAL London SW1A 2AH

8 February 1991

Dear Charles,

Prime Minister's Meeting with Chancellor Kohl: Turkey

The Foreign Secretary suggests that the Prime Minister's visit to Bonn on 11 February provides a good chance to follow up Chancellor Kohl's recent suggestion to the Foreign Secretary that we should build up a dialogue on the future of Turkey. This is a crucial and neglected question. Given the Chancellor's broad-brush approach, it is probably best to start by getting him to agree on a few key propositions:

- Turkey will remain of vital importance to the West, however irritating Turkish tactics sometimes are;

- Turkey will require very sensitive handling in the next few years;

- the UK and Germany need to speak up together to ensure that Turkey's relations with the EC and WEU are not soured..

We could seek to warn the Germans of two dangers which they underrate:

(i) that Franco-German proposals on Political Union would favour Greece at the expense of Turkey vis à vis the WEU;

(ii) that Turkey's links with the Community are constantly snagged by the Greek factor.

This exchange could be built on through later contacts between Private Secretaries (a feature of the Franco-German relationship).

Background

Turkey's links with the West are clouded by uncertainties over Greece/Turkey, Cyprus, relations with the EC and WEU and human rights. The Gulf crisis has placed a severe strain on the economy: losses from August 1990 to the end of 1991 are estimated at $5-7 billion (7% of GDP).

Beneath Ozal's panache, Turkey is sensitive and unsure of itself. Greece plays a spoiling role. The uncertainties encourage anti-Western forces in Turkey. The Turks look to us as a friend within the Community, where we are all too often a lone voice.

The Germans share our wish to steady Turkey. But they have their own difficulties: Turkish gastarbeiter; and Kohl's warmer relationship with Mitsotakis than with Ozal.

Greece/Turkey

Real antipathy, based on historical antagonism and recent rivalry, regularly surfaces in NATO, the EC, CSCE, Council of Europe etc. Sensitivities are heightened by the Gulf crisis: Greeks fear Turkey will be strengthened as a result of her forward role: Turks believe Greece may be tempted to make some defiant gesture in the Aegean.

The Prime Minister could get the Chancellor to agree to work with us to steer policy in the EC and NATO/WEU with the aim of reducing bilateral tension.

EC/Turkey

Turkey applied for EC membership in 1987 and remains determined to join. The Commission's 1989 Opinion concluded that the application was premature, but left open the possibility of accession at some later date. None of the Twelve favours Turkish membership, but all except the Greeks are ready to support the Commission's proposals for strengthening relations (completion of Customs Union, industrial/technological co-operation, aid and political/cultural links).

The main problem is to persuade the Greeks to unblock the Fourth Financial Protocol (worth 600 mecu over five years) which they have linked to the removal of Turkish troops from northern Cyprus. The Dutch, French, Italians and Germans have now made an informal link between unblocking the Protocol and an EC 2.2 becu balance of payments loan for Greece. (We have already promised Greece our support for their loan.) The Greeks also seek to exclude the Turks from the 230 mecu facility for regional and environmental projects in the Community's new Mediterranean policy.

The Prime Minister might suggest discussion of how we can encourage Greece to lift obstacles, possibly involving some movement by Turkey.

Cyprus

The key to progress is for the two communities to agree on future constitutional and practical arrangements. The UN Secretary General's mission of good offices provides the framework. Greek and Greek Cypriot tactics of internationalising the problem, e.g. through the EC, evade the central issue, annoy the Turks, and encourage Denktash's intransigence. The EC cannot ignore the problem: both Cyprus and Turkey have applied for membership. But the Community should use its weight in support of the UN, and not cut across existing efforts, or allow itself to be manoeuvred by the Greeks.

The Prime Minister may wish to emphasise the Secretary General's role, and suggest that we and Germany should stand firm against further Greek attempts to involve the EC in a biassed way.

NATO/WEU

NATO membership is Turkey's crucial link to Western Europe and to the US. Although the Turks have the second largest armed forces in NATO, most are poorly equipped, and hope to receive more modern equipment from their allies.

As a result of their full support for the Gulf coalition, the Turks may be vulnerable to Iraqi attack, e.g. by Scuds. NATO has deployed its Ace Mobile Force (Air) composed of German, Belgian and Italian air defence aircraft, despite some German reluctance. We have offered surplus AIM9 air defence missiles.

The Turks also sought confirmation that, in the event of an attack by Iraq, the mutual defence obligation in the NATO Treaty (Article 5) would apply. After wobbling badly, Chancellor Kohl assured the Prime Minister on 22 January that he would do his duty. The Germans have deployed air defence missile batteries to Turkey. But a precipitate Turkish request for Article 5 cover could still cause problems in NATO, particularly if it followed a minor Iraqi attack with few casualties.

The Prime Minister might:

- welcome Chancellor Kohl's assurance and agree that any attack on Turkey will need to be met by a prompt signal of political solidarity, plus further aid/reinforcements if necessary.

- suggest that we should reflect on how best to reassure Turkey as she becomes less secure than other allies.

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WEU

The approach to future European security arrangements set out in the latest Franco/German paper just tabled in the IGC, would give Turkey a second-class status. The Turks (like the Greeks) have applied to join the WEU: all such applications are on hold at present. The Franco-German paper (building on the earlier Kohl/Mitterrand letter) proposes that those members of the EC who are not yet in the WEU (ie. including the Greeks) should be free to join while other European (ie. including Turkey) would have to settle for close contacts with the WEU. The French and Germans do not yet seem to have faced up to the implications for Turkey of their proposals to take the WEU's mutual security commitment into the Union Treaty. This would oblige WEU/Union members to defend Greece against Turkey. It makes no sense in strategic terms and is very unwelcome to the US.

The Prime Minister might say to Chancellor Kohl that it would be politically unwise to discriminate between Greece and Turkey. We need to think together about how we want Turkey's relations with Western Europe to evolve up to 2000. Meanwhile we should leave the outcome open by flexibly involving all non-members in the work of the WEU and using the latter as a bridge to both NATO and the EC.

Human Rights

There is an active public and Parliamentary lobby in the UK on Turkey's human rights performance, which remains imperfect even though the record has improved. There is also the problem of minority rights for Kurds. We regularly raise human rights with the Turks at ministerial level, with the accent on support and encouragement rather than lecturing.

The Prime Minister might:

- ask Chancellor Kohl to encourage the Turks in their efforts to comply fully with the provisions of the UN and European Conventions which they have ratified.

I am sending copies to Simon Webb (MOD), John Gieve (Treasury), Martin Stanley (Department of Trade) and Sonia Phippard (Cabinet Office).

Yours ever,
Christopher Prentice.

(C N R Prentice)
Private Secretary

Sir Charles Powell
10 Downing Street

chex.ps/tt/34

cc PC
CO
GR

Treasury Chambers, Parliament Street, SW1P 3AG
071-270 3000

8 February 1991

Sir Charles Powell
Private Secretary to the
Prime Minister
10 Downing Street
LONDON
SW1A 2AA

Prime Minister
CDP 9/2

Dear Charles,

PRIME MINISTER'S VISIT TO BONN: 11 FEBRUARY 1991

Christopher Prentice's letter of today provides some briefing on economic and monetary union for the Prime Minister's visit to Bonn. In the light of Chancellor Kohl's letter of 29 January it may be useful for you to have some supplementary material. I attach a short note.

I am copying this letter to Richard Gozney (FCO) and Sonia Phippard (Cabinet Office).

Yours ever,
Tancred Tarkowski

T TARKOWSKI
Private Secretary

ec1.nm/emubrief/73

UNCLASSIFIED

CHANCELLOR KOHL'S LETTER ON EMU OF 29 JANUARY 1991

Background

Kohl's letter reflects the central dilemma of the Germans over economic and monetary union. They favour a single currency and a European Central Bank as political symbols of Germany's commitment to the Community. But they are also worried by the prospect of sacrificing the Bundesbank and its proven track record for a new and untried institution whose Governing Board, by definition, will be dominated by non-Germans.

Hence, Kohl's letter emphasises the need for independence of the institution and checkpoints ('control stations') along the way to currency union.

Speaking Note

- Grateful for Kohl's letter of 29 January. Acutely aware of German concerns about EMU.

- Given Bundesbank's record, can understand Germany's emphasis on independence of monetary institution. Note that other Member States, eg France, ambivalent on this issue. As he knows, UK still considering question: in our EMF Treaty texts put forward two formulations, one very close to Bundesbank's position.

- Also in complete agreement that convergence is an essential precondition for closer monetary integration.

- Cannot risk a premature move to single currency. Have noted Herr Tietmeyer's sage remarks on this, in light of experience of currency union with former GDR.

- But political pressure will build up in IGC for immediate results: hence, need for substantive Stage 2, and our proposals for a new institution and common currency. Room for discussion about technical details: not a blue print. Would welcome German ideas for improving our proposals. But underlying political reality is if we do not have a Stage 2 with content, others will force the pace on Stage 3 with potential disasterous results. In both of our interests to develop Stage 2. Hope our officials can stay in close contact.

The National Archives

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PM. just in briefing for Monday,

PRIME MINISTER

EDG: MEETING WITH KOHL

You will remember that if you had not been visiting Kohl you would have seen Dr Egon Kelpsch and Mr Raf Chanterie (respectively Chairman and Vice-Chairman of European Parliamentary Party of the European People's Party).

I understand the Kohl and Kelpsch are close and therefore it is worthwhile mentioning to Kohl that you will be seeing Kelpsch and Chanterie later in the month (26th February), and Mr Forlani on 25th.

Amedee Turner tells me that Kohl has seen Martens and has promised he will speak to Andreotti and to Lubbers about the EDG becoming allied members of the European People's Party. Amedee Turner also gave me a copy of the enclosed letter he had written to the Chairman.

JUDITH CHAPLIN
7 February 1991

Conservative and Unionist Party, GB
Det konservative folkeparti, DK

EUROPEAN PARLIAMENT
EUROPEAN DEMOCRATIC GROUP

Chief Whip

97-113, rue Belliard
1040 Brussels
Tel. (02) 234 21 11
Fax. 231 11 83

The Right Honorourable
Christopher Patten M.P.
The Conservative Central Office
32 Smith Square
London SWI
England

6 February 1991

Dear Chris

I am so pleased we were able to discuss the question of the European Democrats joining the EPP's European Parliamentary Group, and I am most grateful to you for providing the time.

My first news is that Signor Forlani, (Party Leader of the Italian Christian Democrats) will be in London to see the Prime Minister on Monday, 25 February 1991 and we would very much appreciate it if at some time on that day, or possibly during the previous weekend, you could see him too.

For your guidance in talking to Volker Ruhe tomorrow perhaps it would be helpful if I put on paper what I said yesterday, that our only objective is belonging to one group with the EPP in accordance with the rules of the European Parliament. In other words, any arrangement which fell within the European Parliament rules for a group is entirely satisfactory to us.

We should be very interested indeed to hear from you Volker Ruhe's reactions to this aspect of the matter.

The only other point that arose out of our meeting of yesterday, when you said that you would be unable to visit leaders outside Britain for the time being, is that I did mention to you that Thomas Jenssen, Secretary General of the EPP/EUCD (immediately below Mr Martens) who is visiting you on 18 February, will invite you to Brussels to lunch with Prime Minister Martens. Of course, from our point of view, it is important that this should take place before the critical period of the end of March, when Mr Martens will be presiding at the Party Leaders' meeting attended by Chancellor Kohl, Signor Andreotti and Mr Lubbers and the rest, where the issue will be decided.

Yours ever,
Amedee

Amedee Turner Q.C. M.E.P.
Chief Whip

BUCKINGHAM PALACE

5th February, 1991.

Dear Charles

Thank you for your letter of 4th February to Robert Fellowes. The Queen is pleased to approve the Prime Minister's plans to visit Bonn on Monday 11th February.

Yours sincerely

Robin

(ROBIN JANVRIN)

C.D. Powell, Esq.

GERMANY: Pres visit

PT 8

FILE 2

10 DOWNING STREET
LONDON SW1A 2AA

From the Private Secretary

4 February 1991

The Prime Minister plans to visit Bonn on Monday 11 February. I should be grateful if you could seek The Queen's permission for him to be absent from the country on that day.

(C. D. POWELL)

The Rt. Hon. Sir Robert Fellowes,
KCVO, CB.

CONFIDENTIAL AND PERSONAL

FILE KK

10 DOWNING STREET
LONDON SW1A 2AA

From the Private Secretary

4 February 1991

Dear Chris.

PRIME MINISTER'S VISIT TO BONN

As you know, the Prime Minister is going to Bonn to see Chancellor Kohl on 11 February. He would be very grateful for a note in advance of that about the EDG and its membership of the European People's Party, taking account of what may emerge from your meeting with Volker Ruehe on 7 February.

Yours ever,

Charles

(C. D. POWELL)

The Right Honourable Christopher Patten, M.P.

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AND PERSONAL

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Pl. Charles. (1)
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10 DOWNING STREET 13.7

Rt Hon

I now find that
Mr. Kinnock is
going only to
RAF Laarbruch, &
will depart Geneva
at 1330 i.e. before
you start your
visit to Familia. Does
that affect your decision?
CDP

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(1)

Option 3, alas, - but am I not in Sheffield on Saturday?

PRIME MINISTER

VISIT TO GERMANY

We have arranged for you to visit Germany on 11 February to see Chancellor Kohl and then go on to meet the families of British Forces in the Gulf. The date is agreed with Chancellor Kohl, and you have said publicly that you will be going.

We have only subsequently discovered that Mr Kinnock has already planned a visit to the RAF in Germany that day. That is a nuisance. I do not think we can change the date for you to go to Germany. There seem to me to be three options:

- For me to approach Mr Kinnock's office to see if there is any possibility of his changing the date of his visit. I doubt they will be very receptive, since it has been planned apparently for some time.

- To see if the visits can be dove-tailed. You would not be able to get up to any military base until about 3 p.m. We might see if he could be persuaded to finish his visit to Germany by mid-afternoon. If he concentrates on the RAF - as planned - you could go to the Army, then the overlap is not too bad.

- You could pre-empt him by going out to see the families on the Sunday afternoon, staying overnight in Germany to see Chancellor Kohl next morning, returning to London straight after lunch.

I am sorry to say it, but I think the third option is probably the best although it would mean your sacrificing a Sunday afternoon/evening.

C.D.P

CHARLES POWELL

1 February 1991

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FROM PRIVATE SECRETARY
MY 3 IPTS (NOT TO ALL) : SECRETRY OF STATE'S TALKS WITH CHANCELLOR KOHL : BONN 30 JANUARY
GERMANY : INTERNAL

1. KOHL SAID HE FELT IN A VERY COMFORTABLE POSITION AND BETTER THAN IF HE HAD OBTAINED AN ABSOLUTE MAJORITY IN THE DECEMBER ELECTIONS. SUCH AN ABSOLUTE MAJORITY COULD ONLY HAVE BEEN A SMALL ONE UNDER THE GERMAN ELECTORAL SYSTEM, AND WOULD HAVE REQUIRED THE WHIPS TO BE HARD AT WORK EVERY DAY. IN THE COALITION GOVERNMENT, KOHL'S COALITION PARTNER HAD NOWHERE ELSE TO GO. WITHIN 2 WEEKS KOHL WOULD EXCEED SCHMIDT'S TENURE AS CHANCELLOR. ONLY ADENAUER WOULD HAVE BEEN CHANCELLOR FOR LONGER (AND KOHL HAD NO AMBITION TO EXCEED HIM).

2. THE CHANCELLOR ALSO SPOKE AT SOME LENGTH ABOUT THE LINE UP OF POLITICAL PARTIES IN THE EUROPEAN PARLIAMENT (RECORDED, SEPARATELY, NOT BY TELEGRAM).

3. SEE MIFT.

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FROM PRIVATE SECRETARY
MY 4 IPTS (NOT TO ALL) : SECRETARY OF STATE'S TALKS WITH CHANCELLOR KOHL : BONN, 30 JANUARY
TURKEY

1. THE CHANCELLOR SAID THAT IF NATO TERRITORY WERE ATTACKED THEN OF COURSE THE GERMANS WOULD GO TO THE HELP OF THE COUNTRY IN QUESTION, INCLUDING TURKEY. BUT FOR DOMESTIC REASONS IT WAS TOO DIFFICULT FOR HIM TO TAKE A CLEAR DECISION IN THIS SENSE ON A CONTINGENCY BASIS IN ANSWER TO A HYPOTHETICAL SITUATION. HE HAD EXPLAINED AS MUCH TO BUSH AND OTHERS.

2. AT THE SAME TIME, KOHL WAS CRITICAL OF OZAL. HE KNEW HIM WELL AND REGARDED HIM AS A FRIEND. BUT SOME OF HIS ACTIONS WERE UNWISE. HE WAS USING THE GULF HOSTILITIES TO SETTLE SOME OUTSTANDING BILLS AT A PROFIT, AND TO PLAY TO A DOMESTIC AUDIENCE. KOHL DID NOT TRUST OZAL'S POLICY TOWARDS KURDS AND THE PRESENCE OF 2 MILLION KURDS IN GERMANY MADE THIS A SENSITIVE ISSUE. IN KOHL'S HOME TOWN FOR EXAMPLE THERE WERE 6,000 KURDS OUT OF A POPULATION OF 150,000. THEY HAD COLONISED A PART OF THE TOWN TO WHICH THEIR DEPENDENTS WENT DIRECTLY ON ARRIVAL IN GERMANY, FROM FRANKFURT AIRPORT, AND WHICH THEY NEVER LEFT. THEY CREATED A PROBLEM OVER SCHOOLING, AND FOUGHT AMONG THEMSELVES ALTHOUGH NOT WITH GERMANS.

3. THE SECRETARY OF STATE SAID THAT TURKEY POSED A PROBLEM. IT SHOULD NOT JOIN THE EC. OZAL WAS THE ONLY STRONG MAN IN TURKEY, BUT HIS JUDGEMENT WAS NOT ALWAYS SOUND - WITNESS HIS ATTACK ON GERMANY. THE GREEKS STOPPED THE EC FROM CARRYING OUT THE COMMUNITY OBLIGATIONS TOWARDS TURKEY. AFTER THE GULF HOSTILITIES AN EFFORT WOULD BE NEEDED TO FIND THE RIGHT APPROACH. THE BRITISH AND GERMAN GOVERNMENTS MIGHT COOPERATE OVER POLICY TOWARDS TURKEY. KOHL
WAS IN TOTAL AGREEMENT. GERMANY'S STRONG LINKS WITH TURKEY WERE

EMOTIONAL AS WELL AS PRACTICAL AND HE WANTED TO TAKE A PERSONAL INTEREST. TURKEY WAS A COUNTRY ON THE WAY UP, WITH A POPULATION WHICH WOULD REACH 80 MILLION BY THE YEAR 2,000 AND WHICH WOULD MAKE A SUCCESS OF ITS ECONOMY.

4. KOHL SAID HE HAD TOLD OZAL THAT IN VIEW OF THE DRAMATIC EVENTS IN THE MIDDLE EAST IT WAS ABSURD TO SEE NO PROGRESS OVER CYPRUS. HE HAD TOLD OZAL THAT IT WAS TIME FOR TURKEY TO TAKE A STEP FORWARD. KOHL HAD ALSO SPOKEN TO MITSOTAKIS. KOHL AGREED THAT TURKEY COULD NOT JOIN THE EC BUT NEEDED A SPECIAL RELATIONSHIP WITH THE COMMUNITY. HE LIKED THE IDEA OF WORKING WITH THE UK ON THE APPROACH TO TURKEY, NOT LEAST BECAUSE IT WOULD GIVE HIM A WELCOME OPPORTUNITY TO WORK CLOSELY WITH THE NEW BRITISH PRIME MINISTER.

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FROM PRIVATE SECRETARY
MY 2 IPTS (NOT TO ALL) : SECRETARY OF STATE'S TALKS WITH
CHANCELLOR KOHL : BONN, 30 JANUARY
SOVIET UNION AND EASTERN EUROPE

1. THE CHANCELLOR SAID THAT AS HE HAD ANNOUNCED EARLIER THAT DAY, HE WOULD BE RAISING TAXES IN GERMANY. GERMAN UNIFICATION COULD BE FINANCED WITHOUT INCREASED TAXES, BY JUGGLING THE BUDGET, BUT ADDITIONAL FUNDS WERE NEEDED TO HELP TO STABILISE HUNGARY, CZECHOSLOVAKIA AND POLAND.

2. THE CHANCELLOR SAID THAT THERE MIGHT BE A WELCOME MOVE FROM THE SOVIET UNION. GORBACHEV MIGHT ANNOUNCE THE EARLY WITHDRAWAL OF SOVIET TROOPS FROM THE GDR. 1994 WAS THE OFFICIAL END DATE FOR WITHDRAWAL, AND THE TIMETABLE FOR GERMAN FINANCIAL HELP MATCHED THIS DATE. BUT THE SOVIET TROOPS WERE LIVING IN MISERABLE CONDITIONS, WITHOUT GOOD FOOD AND, SUDDENLY, IN A COUNTRY WITH WELL STOCKED SHOPS. THERE WAS MORE AND MORE UNREST AMONG THE SOVIET TROOPS AND THE CRIME RATE WAS SOARING. HE HOPED TO SEE THE PERIOD OF WITHDRAWAL OF SOVIET TROOPS HALVED.

3. ON THE TELEPHONE 8 DAYS EARLIER GORBACHEV HAD ASSURED KOHL THAT HE WAS NOT/NOT MOVING TO THE RIGHT AND THAT HE HAD NOT CHANGED HIS OVERALL POLICY. BUT HE HAD ADMITTED TO FACING VERY GRAVE DIFFICULTIES.

4. ON THE BALTIC STATES KOHL SAID HE HAD WARNED GORBACHEV IN NOVEMBER 1990 THAT THEIR INDEPENDENCE WAS INEVITABLE. HE HAD TOLD (A SOMEWHAT SURPRISED) MRS PRUNSKEINE THAT LITHUANIA WOULD ACHIEVE INDEPENDENCE WITHIN 5 YEARS, THROUGH A LONG SERIES OF SMALL STEPS. BUT IT COULD NOT BE IN WESTERN INTERESTS TO SEE THE SOVIET UNION DISSOLVE. THIS WOULD MEAN LESS SECURITY. HE AGREED WITH THE SECRETARY OF STATE THAT THE THREE BALTIC STATES

WERE IN A SEPARATE CATEGORY, ALTHOUGH HE MIGHT ADD SOME OTHERS, NOTABLY ARMENIA. BUT IN GENERAL ANY CHANGES OF BORDERS IN EUROPE WOULD OPEN THE WAY TO A SERIES OF PROBLEMS FOR OTHERS. BORDERS SHOULD NOT BE CHANGED, (EXCEPT PERHAPS THE ROMANIAN/HUNGARIAN BORDER IF THE ROMANIANS DID NOT CHANGE THEIR POLICY TOWARDS THEIR MINORITY POPULATION OF 2 AND A HALF MILLION HUNGARIANS).

5. SEE MIPTS (NOT TO ALL).

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MR BROOMFIELD
MR BAYNE
MR GREENSTOCK
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MR GORE-BOOTH
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MR JAY
MISS SPENCER

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SIR R BUTLER
MR APPLEYARD

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FROM PRIVATE SECRETARY
MIPT : SECRETARY OF STATE'S TALKS WITH CHANCELLOR KOHL: BONN, 30 JANUARY
THE GULF AND ARAB/ISRAEL
BURDENSHARING

1. THE CHANCELLOR SAID HE HAD JUST BEEN TOLD OF A UK REQUEST FOR AMMUNITION. THE GERMANS WOULD LOOK AT THIS REQUEST AND HELP AS BEST THEY COULD IN ADDITION TO PROVIDING THE HELP HE WAS ABOUT TO COVER. HE HAD RECEIVED THE PRIME MINISTER'S LETTER. HE KNEW WHAT THE UK WAS DOING AND WISHED TO PAY TRIBUTE TO THE UK EFFORT. HE SUFFERED FROM, AND REGRETTED, THE FACT THAT GERMANY HAD AN UNFORTUNATE PROVISION IN HER CONSTITUTION. WHEN IT HAD BEEN WRITTEN PEOPLE HAD NOT THOUGHT AHEAD TO THE EVENTUALITY OF SOMETHING LIKE THE GULF CRISIS . (IT WOULD HAVE BEEN POSSIBLE IN, SAY, 1975 OR 1976, WHEN SCHMIDT'S POSITION AS CHANCELLOR HAD BEEN STRONG AND WITH KOHL AS LEADER OF THE OPPOSITION, TO HAVE CHANGED THE CONSTITUTION. BUT NO ONE HAD SEEN THE NEED AT THAT TIME.) IN 1991 KOHL COULD NOT BE SURE OF A TWO THIRDS MAJORITY IN THE BUNDESTAG TO PUT THROUGH THE NECESSARY MEASURES. THE TREND IN THE SPD WAS SERIOUS AND ALARMED HIM. IT HAD BECOME WORSE SINCE THE DECEMBER ELECTION. ONE THIRD OF THE SPD MEMBERS WERE OF THE LEFT OR FAR LEFT AND 10 DAYS EARLIER HAD SUPPORTED A MOTION FROM THE PDS AND GREENS WHICH HAD INSINUATED THAT THE AMERICANS WERE TO BLAME FOR THE GULF WAR. VOGEL WAS NOT IN CONTROL OF HIS PARTY.

2. KOHL HOPED THE SECRETARY OF STATE COULD EXPLAIN TO THOSE IN BRITAIN WHO WROTE SILLY THINGS ABOUT HIM THAT HE WAS STILL THE SAME CHANCELLOR WHO HAD SEEN THROUGH THE NATO DOUBLE DECISION ON INF. BUT HE REALISED THAT GERMAN FOREIGN POLICY MIGHT BE GIVING A MISERABLE IMPRESSION AND WHY OUTSIDERS SAID THAT THE COUNTRY SHOULD DO MORE.

MDHOAN

3. THE GERMANS IN THE OLD FRG WERE AFFLUENT. WITH BRITISH AND UNITED STATES' SOLDIERS GOING TO THE GULF, THE CHANCELLOR WANTED TO MAKE IT CLEAR TO THE GERMAN PEOPLE THAT FREEDOM WAS NOT WITHOUT COST. THE CHANCELLOR SAID THAT THE GERMANS WOULD CONTRIBUTE TO THE UK ABOUT 10 PERCENT OF WHAT THEY WERE GIVING TO THE AMERICANS. HE COULD ADD, IN CONFIDENCE, THAT THEY WOULD SUPPLY THE AMMUNITION WE HAD REQUESTED (ALTHOUGH THEY WOULD NOT WISH TO ADMIT PUBLICLY THE NATURE OF THIS EXTRA HELP). HE PROPOSED TO CONTRIBUTE DM800 MILLION. HE WAS KEEN THAT THE SECRETARY OF STATE SHOULD GIVE HIM A FRANK REACTION TO THIS OFFER.

4. THE SECRETARY OF STATE SAID THAT THIS CONTRIBUTION WOULD BE VERY GOOD. HE APPRECIATED VERY MUCH WHAT THE CHANCELLOR HAD SAID. HE AGREED THAT STUPID THINGS WERE WRITTEN IN THE NEWSPAPERS. BUT WHEN A COUNTRY WAS AT WAR THE TEMPERATURE ROSE. THE BRITISH GOVERNMENT KNEW THAT THE CHANCELLOR HAD INHERITED A CONSTITUTION WHICH HE WISHED TO CHANGE. SOME OF THOSE IN BRITAIN COMPLAINING ABOUT THE LACK OF GERMAN TROOPS IN THE GULF WOULD BE THE FIRST TO COMPLAIN IF SIGNIFICANT NUMBERS WERE SENT THERE. THE PRIME MINISTER HAD NOT/NOT FOUND IT EASY TO WRITE THE LETTER TO THE CHANCELLOR ABOUT BURDENSHARING BUT HAD FELT THAT IT WAS UNAVOIDABLE GIVEN THE DEBATE IN BRITAIN AND THE AMERICANS' REQUEST. BUT HE HAD ASKED THE SECRETARY OF STATE TO SAY THAT THERE WAS NO QUESTION OF OUR SEEKING TO BARGAIN OVER FIGURES. IN RESPONSE TO THE CONTRIBUTION OF DM800 MILLION AND THE DECISION ON AMMUNITION WE WOULD CERTAINLY SAY THAT THIS WAS GREATLY APPRECIATED. THE CHANCELLOR AGREED THAT HERR GENSCHER AND THE SECRETARY OF STATE SHOULD ANNOUNCE LATER IN THE EVENING THE FINANCIAL HELP AND THE GERMAN DECISION ON (UNSPECIFIED) MILITARY MATERIAL.

IRAQI AIR FORCE

5. KOHL ASKED FOR THE BRITISH ASSESSMENT OF THE FLIGHT OF IRAQI PLANES TO IRAN. THE SECRETARY OF STATE SAID THAT WE WERE NOT SURE BUT THOUGHT THEIR MOVEMENT WAS PART OF A PLAN BY SADDAM HUSSAIN TO FIND A SAFE PLACE FOR HIS AIRCRAFT. THIS SUGGESTED THAT SADDAM HUSSAIN WAS BANKING ON SURVIVING THE WAR. IT WAS BAD NEWS FOR HIS TROOPS, LEAVING THEM WITHOUT AIR COVER.

6. THE CHANCELLOR ASKED IF THE UK BELIEVED THAT IRAN WOULD STAY NEUTRAL. THE SECRETARY OF STATE BELIEVED THAT SHE WOULD BECAUSE

IT WAS NOT IN HER INTEREST TO TAKE SIDES. A CAVEAT WAS THE DANGER OF RAFSANJANI LOSING CONTROL, TO THE RADICALS.

ARAB/ISRAEL

7. KOHL ASKED WHAT SHOULD BE DONE ABOUT THE PALESTINIANS AFTER THE WAR.

8. THE SECRETARY OF STATE SAID THAT SOME HAD BEGUN TO THINK OF A REPLACEMENT FOR ARAFAT. PERSONALLY HE WAS PESSIMISTIC BECAUSE THE PALESTINIANS WERE SO DIVIDED. HE DID NOT BELIEVE THAT SYRIA, SAUDI ARABIA OR JORDAN WOULD SIGN PEACE TREATIES WITH ISRAEL UNLESS SOMETHING WAS PROVIDED FOR THE PALESTINIANS. BUT THE ISRAELI LIKUD GOVERNMENT WERE RECONCILED TO PERMANENT OCCUPATION OF THE WEST BANK. THE FRENCH TALKED OF A HUGE INTERNATIONAL CONFERENCE. BUT THE SECRETARY OF STATE COULD SEE THAT SUCH A CONFERENCE MIGHT END IN DISASTER. THE CHANCELLOR SAID THE RESULT OF AN INTERNATIONAL CONFERENCE WOULD HAVE TO BE DECIDED IN ADVANCE OF ITS TAKING PLACE. ONCE THE WAR WAS OVER HE THOUGHT THAT THE UNITED STATES WOULD HAVE AS STRONG A POSITION IN THE MIDDLE EAST AS EVER BEFORE. (THE SECRETARY OF STATE THOUGHT THAT THIS WOULD NOT LAST.) KOHL SAID THAT THE AMERICANS WOULD BE IN A POSITION TO INSIST ON SOMETHING FOR THE PALESTINIANS FROM SHAMIR. HE FOUND THAT BUSH AND BAKER, UNLIKE THEIR PREDECESSORS, DID NOT SHOW UNCRITICAL SUPPORT FOR ISRAEL. IN DOMESTIC AMERICAN TERMS, MANY JEWISH GROUPS HAD SUPPORTED DUKAKIS, AND BAKER REMEMBERED THIS. AFTER THE WAR GERMANY AND THE UK MIGHT NEED TO LEAD THE UNITED STATES IN THE RIGHT DIRECTION. THE SECRETARY OF STATE AGREED THAT BUSH AND BAKER HAD A CLEAR PICTURE OF THE POSSIBILITIES. THE LIKUD GOVERNMENT IRRITATED THEM AND THEY WERE ADAMANT THAT THEY HAD STRUCK NO BARGAIN WITH THE ISRAELIS OVER THE WEST BANK DURING THE GULF WAR. HE AGREED THAT BRITAIN AND GERMANY SHOULD CONCERT OVER WHAT THEY WERE SAYING TO THE U.S. ADMINISTRATION.

9. THE CHANCELLOR THOUGHT THAT IF THERE WAS NO MOVEMENT ON PALESTINE AFTER THE WAR THIS WOULD BE CATASTROPHIC FOR KING HUSSEIN AND FOR MUBARAK.

10. SEE MIFTS (NOT TO ALL)

HURD

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FROM PRIVATE SECRETARY
SECRETARY OF STATE'S TALKS WITH CHANCELLOR KOHL : BONN,
30 JANUARY : SUMMARY

1. THE SECRETARY OF STATE SPENT AN HOUR AND A QUARTER WITH KOHL LATE ON 30 JANUARY. THE CHANCELLOR WAS EXUBERANT, KEEN TO TALK OPENLY, AND TO ESTABLISH A BILATERAL DIALOGUE ON SOME DIFFICULT SUBJECTS. EARLIER IN THE DAY HE HAD SPOKEN IN THE BUNDESTAG FOR 2 AND A HALF HOURS AND THEN ADDRESSED THE PRESIDENTS OF THE LANDERS. BUT HE SHOWED NO SIGN OF WEARINESS. OVERALL HE GAVE THE IMPRESSION OF A LEADER WHO HAD ACCOMPLISHED MANY OF THE GOALS OF HIS POLITICAL CAREER AND CONSIDERED THE JOB WELL DONE, BUT WHO HAD A FEW ITEMS LEFT ON HIS AGENDA.

2. ON GULF BURDENSHARING THE CHANCELLOR REGRETTED THAT HIS HANDS WERE TIED BY THE PROVISIONS OF THE CONSTITUTION, SO THAT HIS GOVERNMENT COULD NOT SEND TROOPS TO THE GULF. BUT HE WAS STILL THE SAME MAN WHO HAD SEEN THROUGH NATO'S DOUBLE DECISIONS ON INF. PERHAPS THIS POINT COULD BE MADE TO THOSE IN BRITAIN WHO WROTE SILLY THINGS ABOUT HIM. KOHL TOLD THE SECRETARY OF STATE THAT GERMANY WOULD GIVE THE UK DM800 MILLION TOWARDS COSTS IN THE GULF. IN ADDITION THE GERMANS WOULD MEET A REQUEST THE UK HAD JUST MADE FOR MILITARY MATERIAL. THE CONTRIBUTION AND THE DECISION TO SUPPLY THE UK WITH MILITARY EQUIPMENT COULD BE ANNOUNCED THAT EVENING. ON THE MIDDLE EAST THE SECRETARY OF STATE SPOKE OF THE DANGER OF A MIDDLE EAST CONFERENCE WHICH FAILED. KOHL BELIEVED THAT THE OUTCOME OF THE CONFERENCE WOULD HAVE TO BE SETTLED IN ADVANCE. BUSH AND BAKER WERE MORE INCLINED TO TAKE A CONSTRUCTIVE ATTITUDE TO THE PALESTINE QUESITON THAN THEIR PREDECESSORS. KOHL AGREED THAT THE UK AND GERMANY MIGHT KEEP IN TOUCH, AFTER THE GULF HOSTILITIES, AS THEY ENCOURAGED THE AMERICANS TO EXERT THE RIGHT SORT OF PRESSURE ON THE ISRAELIS.

3. ON THE SOVIET UNION KOHL THOUGHT THAT GORBACHEV WOULD ADVANCE THE WITHDRAWAL OF SOVIET TROOPS FROM THE FORMER GDR FROM 1994 SINCE LEAVING THEM THAT LONG WOULD CREATE MORE TROUBLE THAN WAS WORTHWHILE. KOHL SAID HE HAD WARNED GORBACHEV THAT HE WOULD NOT BE ABLE TO PREVENT THE SECCESSION OF THE BALTIC STATES. ONE OR TWO OTHER REPUBLICS SUCH AS ARMENIA MIGHT BE IN A SIMILAR POSITION, BUT IN GENERAL (AND WITH THE POSSIBLE FURTHER EXCEPTION OF THE ROMANIAN/HUNGARIAN BORDER), BORDERS SHOULD BE REGARDED AS SACROSANCT.

4. ON DOMESTIC GERMAN POLITICS, THE CHANCELLOR CLAIMED TO BE EVEN BETTER OFF THEN IF HE HAD WON AN ABSOLUTE MAJORITY IN THE ELECTION IN DECEMBER 1990. HIS COALITION PARTNER HAD NOWHERE ELSE TO GO.

5. ON TURKEY OZAL WAS A GOOD FRIEND BUT MADE MISTAKES AND KOHL DID NOT TRUST HIM TO DO THE RIGHT THING FOR THE KURDS. KOHL HAD TO WATCH THE POLITICAL CONSEQUENCES OF THE PRESENCE OF 2 MILLION KURDS IN GERMANY. HE AGREED WITH THE SECRETARY OF STATE THAT FINDING THE RIGHT APPROACH TO TURKEY AFTER THE GULF HOSTILITIES WOULD BE DIFFICULT AND FAVOURED A UK/GERMAN DIALOGUE ON THE BEST WAY FORWARD. HE HAD TALKED FIRMLY TO OZAL ON CYPRUS.

6. SEE MY 4 IFTS (NOT TO ALL).

HURD

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MR BROOMFIELD
MR BAYNE
MR GREENSTOCK
MR SLATER

CONFIDENTIAL

file

10 DOWNING STREET
LONDON SW1A 2AA

From the Private Secretary

31 January 1991

Dear Richard,

PRIME MINISTER'S VISIT TO GERMANY

When the Prime Minister and Chancellor Kohl spoke today, they agreed the Prime Minister would go over to Bonn in the near future for a rather longer talk with the Chancellor, to be followed by a working lunch. Participation would be limited to the Prime Minister, the Chancellor and one official on each side.

I have now agreed with Dr. Neuer in Chancellor Kohl's office that the meeting will take place on Monday 11 February at 1130, continuing over lunch and ending at 1400. I should be grateful if Conference Department could make the necessary travel arrangements.

The Prime Minister would like to travel on in the afternoon to one or more of our bases in Germany to meet wives of servicemen in the Gulf. It is possible that Mrs. Major will accompany him for this part of the programme. It would be helpful to have very early advice from MOD on where he might best go and for a draft programme which would allow him to meet as many families as possible. The Prime Minister will need to be back in the UK by a reasonable hour in the evening, say 1900.

I am copying this letter to Simon Webb in the MOD.

Yours ever,

(C. D. POWELL)

Richard Gozney, Esq.,
Foreign and Commonwealth Office.

CONFIDENTIAL

FILE KK

MRS. MAJOR

The Prime Minister is going over to Germany for the day on Monday 11 February. Between 1130 and 1400 he is meeting Chancellor Kohl in Bonn, but will then fly on to one or more of our military bases to meet the families of servicemen who are away in the Gulf. He thought you might well want to come along too. It would be helpful to know if this is convenient.

C. D. POWELL

31 January 1991

c:\foreign\trip (kk)

10 DOWNING STREET

Charles

Herr Neuer, Chancellor Kohl's office, rang to confirm that they'd be delighted for the PM to visit on Monday 11 Feb.

Ten suggest he arrives at 1130 and leaves at 1400. (local time.)

Herr Neuer would appreciate a word with you.

Charles
31/1

10 DOWNING STREET

LONDON SW1A 2AA

From the Private Secretary

28 January 1991

ANGLO-GERMAN SUMMIT

We have finally agreed with Chancellor Kohl's office that the Anglo-German Summit should be held on Monday 11 March in Bonn, starting with a Ministerial lunch at 1300 and continuing through the afternoon until 17-1800. I hope this is convenient.

I am copying this letter to John Gieve (H. M. Treasury), Simon Webb (Ministry of Defence), Martin Stanley (Department of Trade and Industry) and Andy Lebrecht (MAFF).

C. D. POWELL

Christopher Prentice, Esq.,
Foreign and Commonwealth Office.

Charles/. H. de Ferranti
M.C.P.A.

The Chairman
The European Democratic Group

European Parliament Office
2 Queen Anne's Gate
SW1H 9AA

Tel. 01-222 1720

January 24th

Dear Prime Minister,

Thank you so much for keeping the meeting with your MEPs in the diary, despite the immense pressures on you in the days leading up to the January 15th deadline.

Everybody, without exception, thought the occasion a tremendous success and went away greatly

heartened. I spoke to a number of newspapermen afterwards and I think they now have the very clear impression that the old wounds are healing extremely rapidly.

With renewed thanks and best wishes.

Yours ever,

Christopher

TPH

(2)

Prime Minister

12/7

My Private Secretary wrote to your's on 27 April before your meeting with Chancellor Kohl, concerning a Joint Declaration issued after the Kohl-Mitterand summit. This gave support to an agreement between the German energy concern VEBA, and the French company COGEMA, which would have excluded BNFL from the German reprocessing market.

These developments came as the Germans were moving towards their decision last month to abandon plans for their own reprocessing plant at Wackersdorf. Not all German utilities were in favour of an exclusive arrangement with the French however and commercial negotiations were opened up with BNFL. I also met Prof Topfer, the Federal German Minister for the Environment, and secured assurances from him that the Federal German Government shared our view that the best interests of the nuclear industry in Europe would be served by a fully competitive market in reprocessing and other fuel cycle services.

BNFL's negotiations have gone well since then. They are proposing a 15 year deal for up to half German arisings. This will utilise a third of THORP's capacity from 1999 onwards and be worth over £1.6 billion. They hope to reach Heads of Agreement in September.

My officials have also been negotiating a framework agreement with the Federal German Government on collaboration in the nuclear fuel cycle field, similar to a Franco-German Agreement which was signed by Prof Topfer and M. Faroux, the French Industry Minister, earlier this month. This is an important

issue for the Germans, and good news for us. I believe it is important that I should myself attend the signing ceremony. I am therefore proposing to pay a very brief visit to Bonn for this purpose on Tuesday 25 July.

I am copying this minute to Geoffrey Howe, Nicholas Ridley, Nigel Lawson and to Robin Butler.

C. P.

Secretary of State for Energy
11 July 1989

GERMANY: [illegible]

Germany

pr 8

FILE

10 DOWNING STREET
LONDON SW1A 2AA

From the Private Secretary

1 May 1989

Dear Stephen.

PRIME MINISTER'S VISIT TO GERMANY

I enclose the Prime Minister's thank you letter to Chancellor Kohl. I should be grateful if you would send it to Bonn for delivery as soon as possible.

Yours ever,

(C. D. POWELL)

Stephen Wall, Esq.,
Foreign and Commonwealth Office.

FILE SUBJECT cc MASTER OPS. SLW

PRIME MINISTER'S PERSONAL MESSAGE SERIAL No. 90d/89.

10 DOWNING STREET
LONDON SW1A 2AA

File: GERMANY: PM's Meetings with Hen KOHL in Germany Part 8.

THE PRIME MINISTER

1 May 1989

Dear Helmut-

I thoroughly enjoyed my visit to Deidesheim and the opportunity to see something of your home territory. It was very good of you to go to so much trouble over my programme, both in Deidesheim and in Speyer. I shall treasure the link with Deidesheim that my vine creates and look forward to drinking the first bottles from it! The cathedral at Speyer was magnificent, so full of history, its beauty coming from its simplicity. The restoration is a great tribute to your dedication as Minister-President.

It was important for us to talk at this difficult moment in NATO's affairs. We still have a lot of work to do, if we are to avoid a divided summit at the end of May. We must abide strictly by the commitments which we have all accepted at the last summit and within the NPG, and ensure that George Bush's first visit to Europe as President is not marred by discord at the very time when NATO most needs to demonstrate unity and strength. I hope we can keep in very close contact over the coming few weeks.

Finally may I thank you most warmly for your very generous gift, which will give great pleasure.

Yours ever

Margaret

His Excellency Dr. Helmut Kohl

SECRET

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cc file 6
2nd
pc
MOD (Hawtin)
CAB & P (Wobley)

10 DOWNING STREET

LONDON SW1A 2AA

From the Private Secretary

1 May 1989

SNF

I enclose:

- the text of a message from the Prime Minister to Mr. Lubbers about her meeting yesterday with Chancellor Kohl. I should be grateful if this could be telegraphed to The Hague for delivery as soon as possible;

- the text of a message which the Prime Minister has sent to President Bush on the same subject. This has gone direct to the White House and the copy is for information only.

(C. D. POWELL)

The Resident Clerk,
Foreign and Commonwealth Office.

SECRET

PRIME MINISTER'S
PERSONAL MESSAGE
SERIAL No. 90c/89.

SECRET

SUBJECT 4(A-B)
cc OPS
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TO DESKBY 011500Z THE HAGUE
TELNO 95
OF 011440Z MAY 89

File: GERMANY: PM's Meetings with Hen Kohl in Germany Part 8

FROM RESIDENT CLERK

1. NO 10 HAVE ASKED FOR THE FOLLOWING MESSAGE FROM THE PRIME MINISTER TO MR LUBBERS TO BE DELIVERED AS SOON AS POSSIBLE.

MESSAGE BEGINS:-

DEAR RUUD,

I WAS MOST GRATEFUL TO YOU AND YOUR COLLEAGUES FOR COMING OVER TO CHEQUERS ON SATURDAY AND FOUND OUR TALK VERY USEFUL. I THOUGHT YOU MIGHT FIND IT HELPFUL TO HAVE A BRIEF ACCOUNT OF MY MEETING WITH HELMUT KHOL BEFORE YOU SEE HIM YOURSELF ON WEDNESDAY.

WE DID NOT REACH ANY AGREEMENT. BUT I THINK PROGRESS CAN BE MADE. MY FEELING IS THAT HELMUT IS UNCOMFORTABLE WITH PARTS AT LEAST OF THE GERMAN GOVERNMENT'S POSITION AND ACUTELY AWARE OF THE DIFFICULTIES WHICH IT HAS CAUSED IN NATO AND WITH THE UNITED STATES. I REMINDED HIM THAT HE HAD BEEN THE ONE TO PRESS FOR AN EARLY NATO SUMMIT TO TAKE THE MODERNISATION DECISION AHEAD OF THE EUROPEAN ELECTIONS. THIS GAVE HIM A PARTICULAR RESPONSIBILITY TO RESOLVE THE PROBLEMS WHICH THE CHANGE IN THE GERMAN GOVERNMENT'S POSITION HAD CAUSED.

ON MODERNISATION, I PUT TO HIM THE POINTS WE AGREED AT CHEQUERS, NAMELY THAT WE NEEDED AGREEMENT ON THE CONTINUING REQUIREMENT FOR SNF, THE NEED TO KEEP IT UP TO DATE WHERE NECESSARY, AND SUPPORT FOR THE US DEVELOPMENT PROGRAMME. ALL THREE POINTS REPRESENTED COMMITMENTS ALREADY ACCEPTED BY ALL NATO GOVERNMENTS AT THE NATO SUMMIT OR IN THE NPG. I HOPED THAT GERMANY WOULD NOT RESILE FROM THEM.

HELMUT IS CONCERNED THAT SUPPORT FOR THE US DEVELOPMENT PROGRAMME FOR FOTL WILL BE SEEN IN GERMANY AS PRE-EMPTING THE EVENTUAL DEPLOYMENT DECISION. I POINTED OUT THAT IT WOULD NOT BE POSSIBLE TO TAKE DEPLOYMENT DECISIONS IN 1992, AS ENVISAGED IN THE GERMAN GOVERNMENT'S OWN STATEMENT, UNLESS THE DEVELOPMENT WORK WAS DONE BETWEEN NOW AND THEN. AND IT WAS REASONABLE FOR THE UNITED STATES TO EXPECT AND RECEIVE OPEN SUPPORT FROM NATO FOR THAT WORK TO BE DONE. HELMUT FINALLY SAID THAT HE WOULD BE READY TO CONSIDER LANGUAGE ON THIS. IT WOULD BE VERY HELPFUL IF YOU COULD CONTINUE TO PRESS HIM ON THESE POINTS: I THINK THAT WE CAN PROBABLY REACH A SATISFACTORY CONCLUSION.

THE POSITION ON SNF NEGOTIATIONS REMAINS VERY DIFFICULT. HELMUT SAYS THAT HE IS FIRMLY OPPOSED TO A THIRD ZERO, BUT NEEDS TO HAVE A CLEAR INDICATION THAT THERE WILL BE NEGOTIATIONS ON SNF. HE ARGUES THAT GERMANY IS THE COUNTRY MOST DIRECTLY AFFECTED AND ITS INTERESTS MUST BE GIVEN DUE WEIGHT. I TOOK HIM THROUGH THE POINTS WE DISCUSSED AT CHEQUERS, EMPHASISING THAT THE RIGHT WAY FORWARD WAS TO CHALLENGE THE RUSSIANS TO MAKE UNILATERAL REDUCTIONS TO NATO'S LEVELS. THIS WOULD BE A MUCH BOLDER INITIATIVE AND WOULD PUT THE ONUS ON GORBACHEV TO PROVE HIS BONA FIDES AND SHOW THAT HE IS REALLY COMMITTED TO DISARMAMENT. I LEFT HELMUT IN NO DOUBT THAT BRITAIN AND THE UNITED STATES WERE NOT PREPARED TO AGREE TO SNF NEGOTIATIONS, EVEN IF THIS GAVE RISE TO DIFFICULTIES AT THE SUMMIT ITSELF.

HELMUT EMPHASISED MORE THAN ONCE THAT THE GERMAN PAPER WAS INTENDED AS A BASIS FOR DISCUSSION WITH GERMANY'S ALLIES AND NOT AS AN ULTIMATUM. HE WANTED THE SUMMIT TO BE A SUCCESS AND WAS PREPARED TO EXAMINE OUR VIEWS WITH AN OPEN MIND. I HOPE YOU WILL ALSO TAKE HIM THROUGH ALL THE ARGUMENTS AND GIVE HIM NO GROUNDS TO HOPE THAT AGREEMENT TO SNF NEGOTIATIONS WILL BE FORTHCOMING, URGING HIM TO ACCEPT INSTEAD THE CONCEPT ON WHICH WE AGREED OF CHALLENGING THE RUSSIANS TO MAKE UNILATERAL REDUCTIONS TO NATO'S LEVELS. I THINK IT WOULD BE BETTER NOT TO TABLE ANY COMPROMISE TEXTS AT THIS STAGE, SINCE THEY WILL ONLY BECOME THE BASE-LINE FOR FURTHER NEGOTIATION. WE HAVE ALREADY MADE A MAJOR CONCESSION BY AGREEING NOT TO PRESS FOR A DECISION ON DEPLOYMENT AT THE SUMMIT, AND CANNOT MOVE ANY FURTHER.

I AM GIVING GEORGE BUSH A SIMILAR REPORT. I LOOK FORWARD TO HEARING HOW YOU GET ON.

WARM REGARDS,

MARGARET.

MESSAGE ENDS.

HOWE

YYYY

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MR GOULDEN
MR BOYD
RESIDENT CLERK

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Ledwidge.

No amendments

MESSAGE FROM THE PRIME MINISTER TO MR. LUBBERS

Dear Ruud,

I was most grateful to you and your colleagues for coming over to Chequers on Saturday and found our talk very useful. I thought you might find it helpful to have a brief account of my meeting with Helmut Kohl before you see him yourself on Wednesday.

We did not reach any agreement. But I think progress can be made. My feeling is that Helmut is uncomfortable with parts at least of the German government's position and acutely aware of the difficulties which it has caused in NATO and with the United States. I reminded him that he had been the one to press for an early NATO summit to take the modernisation decision ahead of the European elections. This gave him a particular responsibility to resolve the problems which the change in the German government's position had caused.

On modernisation, I put to him the points we agreed at Chequers, namely that we needed agreement on the continuing requirement for SNF, the need to keep it up to date where necessary, and support for the US development programme. All three points represented commitments already accepted by all NATO governments at the NATO summit or in the NPG. I hoped that Germany would not resile from them.

Helmut is concerned that support for the US development programme for FOTL will be seen in Germany as pre-empting the eventual deployment decision. I pointed out that it would not be possible to take deployment decisions in 1992, as envisaged in the German government's own statement, unless the development work was done between now and then. And it was reasonable for the United States to expect and receive open support from NATO for that work to be done. Helmut finally said that he would be ready to consider language on this. It would be very helpful if you could continue to press him on these points: I think that we can probably reach a

satisfactory conclusion.

The position on SNF negotiations remains very difficult. Helmut says that he is firmly opposed to a third zero, but needs to have a clear indication that there will be negotiations on SNF. He argues that Germany is the country most directly affected and its interests must be given due weight. I took him through the points we discussed at Chequers, emphasising that the right way forward was to challenge the Russians to make unilateral reductions to NATO's levels. This would be a much bolder initiative and would put the onus on Gorbachev to prove his bona fides and show that he is really committed to disarmament. I left Helmut in no doubt that Britain and the United States were not prepared to agree to SNF negotiations, even if this gave rise to difficulties at the summit itself.

Helmut emphasised more than once that the German paper was intended as a basis for discussion with Germany's allies and not as an ultimatum. He wanted the summit to be a success and was prepared to examine our views with an open mind. I hope you will also take him through all the arguments and give him no grounds to hope that agreement to SNF negotiations will be forthcoming, urging him to accept instead the concept on which we agreed of challenging the Russians to make unilateral reductions to NATO's levels. I think it would be better not to table any compromise texts at this stage, since they will only become the base-line for further negotiation. We have already made a major concession by agreeing not to press for a decision on deployment at the summit, and cannot move any further.

I am giving George Bush a similar report. I look forward to hearing how you get on.

Warm regards,

Margaret

Message ends."

The National Archives

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SECRET

FILE 3i(A-B)
CDPC
CDBS

1 May 1989

MESSAGE FROM THE PRIME MINISTER TO MR. LUBBERS

Dear Ruud,

I was most grateful to you and your colleagues for coming over to Chequers on Saturday and found our talk very useful. I thought you might find it helpful to have a brief account of my meeting with Helmut Kohl before you see him yourself on Wednesday.

We did not reach any agreement. But I think progress can be made. My feeling is that Helmut is uncomfortable with parts at least of the German government's position and acutely aware of the difficulties which it has caused in NATO and with the United States. I reminded him that he had been the one to press for an early NATO summit to take the modernisation decision ahead of the European elections. This gave him a particular responsibility to resolve the problems which the change in the German government's position had caused.

On modernisation, I put to him the points we agreed at Chequers, namely that we needed agreement on the continuing requirement for SNF, the need to keep it up to date where necessary, and support for the US development programme. All three points represented commitments already accepted by all NATO governments at the NATO summit or in the NPG. I hoped that Germany would not resile from them.

Helmut is concerned that support for the US development programme for FOTL will be seen in Germany as pre-empting the eventual deployment decision. I pointed out that it would not be possible to take deployment decisions in 1992, as envisaged in the German government's own statement, unless the development work was done between now and then. And it was reasonable for the United States to expect and receive open support from NATO for that work to be done. Helmut finally said that he would be ready to consider language on this. It would be very helpful if you could continue to press him on these points: I think that we can probably reach a

B

satisfactory conclusion.

The position on SNF negotiations remains very difficult. Helmut says that he is firmly opposed to a third zero, but needs to have a clear indication that there will be negotiations on SNF. He argues that Germany is the country most directly affected and its interests must be given due weight. I took him through the points we discussed at Chequers, emphasising that the right way forward was to challenge the Russians to make unilateral reductions to NATO's levels. This would be a much bolder initiative and would put the onus on Gorbachev to prove his bona fides and show that he is really committed to disarmament. I left Helmut in no doubt that Britain and the United States were not prepared to agree to SNF negotiations, even if this gave rise to difficulties at the summit itself.

Helmut emphasised more than once that the German paper was intended as a basis for discussion with Germany's allies and not as an ultimatum. He wanted the summit to be a success and was prepared to examine our views with an open mind. I hope you will also take him through all the arguments and give him no grounds to hope that agreement to SNF negotiations will be forthcoming, urging him to accept instead the concept on which we agreed of challenging the Russians to make unilateral reductions to NATO's levels. I think it would be better not to table any compromise texts at this stage, since they will only become the base-line for further negotiation. We have already made a major concession by agreeing not to press for a decision on deployment at the summit, and cannot move any further.

I am giving George Bush a similar report. I look forward to hearing how you get on.

Warm regards,

Margaret

Message ends."

The National Archives

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Use black or blue pen to complete form.

Use the card for one piece or for each extract removed from a different place within a piece.

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SUBJECT
cc MASTER

SECRET

SW2A40
alc 2(A-D)
cc BT

10 DOWNING STREET

LONDON SW1A 2AA

From the Private Secretary

30 April 1989

Dear Stephen.

PRIME MINISTER'S MEETING WITH CHANCELLOR KOHL: SNF

The Prime Minister and Chancellor Kohl spent some two hours discussing the SNF problem when they met in Deidesheim today. No agreements were reached. But I think we can nonetheless draw some comfort from the discussion. In summary, it was clearly good for Kohl to have to be confronted directly with the objections to the German government's position. The more the argument went on, the clearer it became that he was uncomfortable with that position and acutely sensitive to the accusation that he was endangering NATO and relations with the United States. He protested that the German paper was no more than a basis for talking to Germany's allies, not an ultimatum. He wanted the forthcoming NATO summit to be a success. There should be intensive discussions with Britain and the United States to find a form of words with which all three governments could live. The Prime Minister made clear that the starting point was not the German paper but the various commitments which all NATO members had accepted at the last summit and in the NPG. We were prepared to concede that no decision on deployment would be taken at the forthcoming summit, but only if previous commitments were explicitly restated. She pressed Kohl relentlessly to say whether or not he still stood by these. After much havering Kohl conceded that he did, although he was most reluctant to endorse the US development programme for FOTL on the grounds that this would pre-empt the decision on deployment. The Prime Minister argued that support for the development programme was essential to keep open the option of deciding on deployment in 1992. Chancellor Kohl finally agreed to look at a proposal on these lines. The main point of difference remained attitudes to SNF negotiations, on which the Prime Minister gave no ground at all. Chancellor Kohl suggested that he and the Prime Minister should speak on the telephone on 5 May. In the meantime, he would talk again to President Bush.

The Prime Minister intends to send a message to President Bush and to Mr. Lubbers summarising her conclusions from the meeting and on the way ahead.

What follows is a more detailed account of their talk.

B

Chancellor Kohl opened with a lengthy justification of Germany's conduct. NATO remained central for Germany. It was absolutely wrong to think that German support for it was weakening. We must make the forthcoming summit and President Bush's first visit to Europe a success. That would take some hard work, but it could be done. Equally NATO had to take account of developments in the Soviet Union and Eastern Europe. We must judge these by deeds not words. But there was no denying the world had changed. One factor in that had been the INF agreement. Germany had only reluctantly accepted that agreement: it would have been better to start by reducing shorter-range systems. But that was water under the bridge.

Chancellor Kohl continued that the German government's recent statement had been designed to keep NATO strong and give it the weapons it required, while keeping open the prospect of further arms control negotiations. The most important of these were the negotiations to reduce conventional forces, and particularly to eliminate the Warsaw Pact's capability for surprise attack. But NATO should also discuss a mandate for negotiations on SNF. He was absolutely opposed to a third zero. Nonetheless it was simply not sustainable politically in Germany to argue that those nuclear weapons which most directly affected Germany should be the only category of weapons in Europe not subject to negotiation . He repeated that he approached these problems full of goodwill and determined to make a success of the summit.

The Prime Minister said that she would start by reminding Chancellor Kohl of some of the background. He had been the one who had originally proposed that there should be an early NATO summit to take the decision on modernisation: she had supported him in this. When they had met in Frankfurt in February, they had agreed a joint statement which had been given to the press. She would remind the Chancellor of it by reading it aloud (which she did). She had been confident on the basis of that statement that she and the Chancellor would meet again before any positions were finalised or made public. It was most regrettable that this agreement had been ignored. To make it worse, we had not been informed of the German government's position until several days after it had been leaked to the press. That was a pretty poor reward for our efforts to be helpful.

Turning to the substance, the Prime Minister took Chancellor Kohl through the facts of Soviet modernisation of its own SNF and the importance of SNF in NATO's strategy of flexible response. The conclusions were clear: NATO had to have SNF and they must be modernised, as the Chancellor himself had agreed as recently as February: and we could not become embroiled in SNF negotiations which would lead inexorably to a third zero. She had no inhibitions about making these points to Gorbachev and it had not affected their relationship. He understood the realities. But it had been clear from his Guildhall speech that he nonetheless

hoped to frighten less robust members of NATO out of proceeding with modernisation. It was vital that NATO should not give in to threats.

THIS IS A COPY. THE ORIGINAL IS RETAINED UNDER SECTION 3 (4) OF THE PUBLIC RECORDS ACT

In this situation, the position which the German government had announced to the Bundestag was a matter of very deep concern, not just to the United Kingdom but also to the United States. NATO had been placed in great difficulty, both by the substance of that position and by the manner in which it had been announced. The fact was that both Britain and the United States were absolutely opposed to negotiations on SNF and would remain so. NATO's SNF were an irreducible minimum to sustain the strategy of flexible response: and they would in due course have to be modernised. Even if a decision to deploy FOTL was postponed, there must at the summit be clear evidence of NATO support for the US development programme. Having a strategy was not just a matter of words: it meant having the weapons to implement it. She had discussed all this with President Bush and neither of them were prepared to resile from previous NATO decisions. The German government's actions had put NATO under severe strain and confronted President Bush with a very difficult situation on his first visit to Europe. An unsuccessful NATO summit could lead the United States to the conclusion that it should begin to withdraw its forces from Europe.

Chancellor Kohl He did not need any lectures about NATO. Of course he believed in flexible response and Germany had said nothing to undermine it. He was absolutely opposed to a third zero. It was not Germany that was unhelpful and uncooperative but others. He had always warned Reagan and Shultz that you could not disarm for weapons over 500km in range and rearm for weapons under 500km. Now people were trying to split NATO into zones for conventional force reductions which could only be to Germany's disadvantage. And in the WINTEX exercise he had been confronted with the absurd suggestion that nuclear weapons should be used against Eastern Europe but not against the Soviet Union. How could that be explained to the German people? The fact was Germany was much more affected than anyone else by SNF and German interests should be given priority. It was monstrous that people should talk of Germany as a firebreak. Moreover it had never before been suggested that the Americans needed NATO's endorsement in order to develop a new weapon. It all made him very cross (and indeed it did).

The Prime Minister said that Chancellor Kohl seemed to forget that NATO had agreed positions on many of these issues. The last NATO summit had confirmed the continuing requirement for SNF and the need to keep them up-to-date. The NPG had reaffirmed NATO's support for US efforts to meet the identified requirement for a follow-on to LANCE. Was Germany now backing away from these commitments? We could not put the whole responsibility for modernisation on US shoulders. Nor could we negotiate on SNF for the reasons she had given. It was noteworthy that the SPD in Germany and the Labour Party in Britain were both in favour of SNF negotiations. She was surprised to find that Chancellor Kohl in this company. The right way forward was to challenge the Russians to come down to NATO levels. Contrary to what Chancellor Kohl had said, SNF did not affect only Germany. We were all vulnerable, either through the presence of our troops in Germany, or because we had nuclear weapons on our soil. The whole point of NATO was collective defence against a common threat. Of course we were prepared to take accont of German interests. That was why we were willing to compromise by not insisting on a decision at the Summit to deploy FOTL. But at the very least we had to reaffirm existing NATO statements in the hope that this would be enough to persuade the US Congress to go ahead with the development of FOTL. It had never been possible to rely on all the NATO allies, there had always been some weak ones. But hitherto the United States, the United Kingdom and Germany had constituted the real strength of NATO.

This got Chancellor Kohl even angrier. Germany was a reliable partner. No one did more for NATO than Germany. For years he had been attacked as the vassal of the Americans. Now he was suddenly being branded a traitor. He had taken the decision to deploy Pershing II against his party and in the face of public opinion. Exactly, said the Prime Minister, you took the right decision then and should do so again now. No, replied Chancellor Kohl, he had always made clear that he could not accept there should be no negotiations on SNF. Of course he stood by NATO decisions, although he was not answerable for what officials decided in the NPG (Defence Ministers actually, interjected the Prime Minister). If NATO was asked to endorse the US development programme for FOTL, people in Germany would say that the decision on deployment was pre-empted.

The Prime Minister said that she would try to summarise the position. She was suggesting that the NATO summit should explicitly confirm previous statements on the requirement for SNF, the need to keep it up to date and support for the US development programme. It was nonsense to say that the last point pre-empted the deployment decision. The German government's own statement looked to a decision on deployment in 1992, yet that would be devoid of meaning if no development work had been carried out in the meantime. Perhaps the best course would be for the summit to say that the modernisation decision itself would only be taken in 1992, but that in order to keep the option open

NATO meanwhile supported the US development programme.

Chancellor Kohl said their remained a fundamental point of difference between him and the Prime Minister. He did not believe that, once the INF agreement had been reached you could resist negotiations on SNF. He had to repeat: it was Germany which was most affected by SNF and Germany's interests had to be taken into account. His whole party was behind him on this. Whether there were negotiations on SNF would depend in practice on what happened in the conventional force negotiations, which had priority. But NATO had to declare its readiness for such negotiations. The Prime Minister contested this: progress in the conventional force reductions would not make NATO's SNF and their modernisation any less necessary, so long as NATO continued to rely on flexible response. Britain and the United States would not budge on this point.

Chancellor Kohl tried a more conciliatory tone. What he had set out in his statement to the Bundestag had just been the German position, a basis for going into talks with Germany's allies. It was not an ultimatum. He wanted intensive discussions with the United States and the United Kingdom over the next few weeks to agree a form of words which reflected the Reykjavik and Brussels summit communiqués. He had noted the Prime Minister's formulation on support for the US development programme. He would like to see it in writing: it might offer a way forward. In general he stood by the commitments already made in NATO, although he wanted to go further on the question of negotiations and that remained a point of difference between him and the Prime Minister. But he would examine her views: he remained open-minded. He would have a further discussion with President Bush on the telephone on 3 May: and he and the Prime Minister should talk to each other again on 5 May. He wanted to find a solution.

There was then some discussion of what should be said to the press, with the results that you will have seen in the verbatim reports of the press conference.

I am copying this letter to Brian Hawtin (Ministry of Defence), Alex Allan (HM Treasury) and to Trevor Woolley (Cabinet Office).

Yours ever,

(C. D. POWELL)

Stephen Wall, Esq.,
Foreign and Commonwealth Office.

CONFIDENTIAL

SUBJECT
CC MASTER

FILE SW2AUN
cc/BI

10 DOWNING STREET

LONDON SW1A 2AA

From the Private Secretary

30 April 1989

Dear Stephen.

PRIME MINISTER'S MEETING WITH CHANCELLOR KOHL, 30 APRIL

The Prime Minister flew to Germany today to meet Chancellor Kohl in the village of Deidesheim in the Rhineland-Palatinate. After various ceremonies in the village, which included the planting of a vine in the Prime Minister's honour from which she will receive the wine each year, she and Chancellor Kohl talked for rather over two hours in the main hotel, continuing over lunch (for connoisseurs this consisted of potato soup, followed by pig stomach, sausage, liver dumplings and sauerkraut). There was then a press conference attended by some 200 journalists: you will be receiving the verbatim text of this separately. The Prime Minister and Chancellor Kohl subsequently drove to the nearby town of Speyer where they visited the cathedral and had a glass of wine with the local bishop. So far as outward appearances go, the meeting was cheerful and friendly. The Prime Minister was welcomed by a large and good-natured crowd in Deidesheim, with only a few banners protesting about low-flying.

The remainder of this letter records the main points of the talks on subjects other than SNF, on which I am writing separately.

South Africa

Chancellor Kohl suggested that he and the Prime Minister began by discussing South Africa. His own position remained unchanged: he was against sanctions. Nonetheless he expected pressure for them to mount again if President Botha's successor failed to take some dramatic measures fairly soon after the elections.

The Prime Minister said that she was glad to hear the Chancellor's position had not changed. She had recently met both Pik Botha and du Plessis and hoped to see de Klerk during the summer. She thought it vital not to isolate the new generation of politicians who would take over after President Botha's retirement. She was hopeful that the new government would release Mandela fairly soon after the elections. It would be easier for them to do so if Western leaders kept a fairly low profile on the issue in the meantime. She also expected a resumption of reform. All this was on the assumption that the extreme right did not make extensive gains in the elections.

Chancellor Kohl asked about President Bush's attitude. The Prime Minister said that basically he agreed with her and Chancellor Kohl. But he was likely to have trouble with Congress over sanctions. There was still great pressure for disinvestment by American companies, as evidenced by Mobil's recent and most regrettable decision to pull out of South Africa.

The Prime Minister continued that we were giving substantial assistance for education of black South Africans and were now planning to give some modest help also to the Urban Foundation to finance mortgages which would allow more black people to buy their own homes. Chancellor Kohl said that he had seen my letter to Herr Teltschik about this proposal. The German government was ready to participate. Herr Teltschik subsequently handed me a letter confirming this (copy enclosed).

Chancellor Kohl asked whether the Prime Minister was optimistic about Namibia. The Prime Minister said that she thought the worst was probably over. SWAPO had behaved very stupidly. Fortunately she had been there on the day the settlement process started and had been able to persuade the South Africans that they must keep within the agreement. It was very important that the Namibia agreement should succeed, because that would give a positive signal for the future of Southern Africa as a whole.

Chancellor Kohl expressed satisfaction that he and the Prime Minister were in full agreement. They should both stick to their course and act together so far as possible. He wanted to be helpful. His main worry remained the US Congress.

Delors Report

Over lunch the Prime Minister asked Chancellor Kohl for his views on the Delors report. Chancellor Kohl turned up his speaking note and began to read it out. He thought Germany could work with the report. The key question was the extent to which Member States could agree on the three stages. The Prime Minister asked whether he was really saying that he was prepared to make the transfer of sovereignty envisaged in the report and give up national control of economic, monetary and fiscal policy. Chancellor Kohl seemed rather startled by this suggestion and commented that any such thing was a very long way off. The Prime Minister commented that there were quite a lot of practical steps which could be taken to strengthen monetary cooperation, without getting involved in treaty amendment. She would never accept the proposition in paragraph 39 of the report that embarking on the first stage committed us to the whole process of economic and monetary union. Chancellor Kohl said that this was something which required unanimity, so the Prime Minister should have no fears. The Prime Minister asked what procedure Chancellor Kohl envisaged for dealing with the report. The Chancellor said there would be first discussion at the Madrid European

Council, after which the report should be remitted to ECOFIN to continue work. The Prime Minister asked once again whether Germany would really agree to give up control over economic, monetary and fiscal policy. Chancellor Kohl answered with a question: would we ever have political union?

Frontiers

The Prime Minister explained to the Chancellor our concern to maintain adequate frontier controls against drugs, terrorism and crime, and in order to protect plant and animal health. It had been agreed at the time of the Single European Act that these matters should be dealt with by unanimity. But the Commission was trying to act under Article 43 of the Treaty which was a majority vote article, and were getting the support of the European Court in this. It was a matter of great importance and very sensitive politically in the United Kingdom. Chancellor Kohl appeared bemused by all this.

CAP

Chancellor Kohl referred to progress made in reducing agricultural supluses. Much faster progress had been made than had been evisaged at the European Council in February 1988. The Prime Minister agreed that there had been an improvement and the recent price-fixing had been quite satisfactory. But one could hardly say that the CAP was an example of market forces at work. Chancellor Kohl conceded that it might be some time yet before the CAP was on a really sound footing. The Prime Minister referred to the problem of fraud which was causing taxpayers huge sums. She would wish to pursue this matter at the European Council in Madrid.

Environnment

Chancellor Kohl said that he hoped for a thorough discussion of environmental issues at the Economic Summit, particularly the problem of disappearing tropical rain forests. Indeed, he would like to see agreement in principle beforehand to launch a special effort or initiative at the Summit on this issue. He had in mind some concrete action such as promising Brazil aid or credit in return for measures to preserve the rain forest. The Prime Minister said that there were a number of ideas under discussion in this area, including schemes for reducing debt in return for action to preserve the forests. But most of the debt was held by commercial banks and there was no particular reason to relieve them of it at the taxpayers' expense. Moreover, these issues were very sensitive for countries like Brazil who regarded many of the proposals made as an intrusion on their sovereignty. She was far from certain that the summit would be able to agree on a scheme.

Poland

Chancellor Kohl said that he was very encouraged by

developments in Poland. He had agreed entirely with the points made by the Prime Minister in her speech in Warsaw. The time had now come for the West to provide economic help. We should move rapidly on this. The Prime Minister cautioned that Poland must first reach agreement with the IMF and conclude bilateral debt agreements. But she agreed that the time had come to spell out the help we would be prepared to give once these steps were taken.

I am copying this letter to Alex Allan (HM Treasury), Neil Thornton (Department of Trade and Industry), Brian Hawtin (Ministry of Defence) and Trevor Woolley (Cabinet Office).

Yours sincerely,

(C. D. POWELL)

Stephen Wall, Esq.,
Foreign and Commonwealth Office

Translation

The guarantee fund to facilitate access to loans for home purchase by black South Africans envisaged by the "Urban Foundation" is fully consistent with the Federal Government's policy towards South Africa.

Positive signals are necessary to promote a better and more permanent integration of the black population into the South African community, instead of punitive measures which polarize the situation further still.

In the Federal Government's view the "Urban Foundation" is a most suitable agency for such positive steps.

The Federal Government intend to make an appropriate contribution to the guarantee fund of the "Urban Foundation". The question of finance is already being discussed in the context of the current federal budget deliberations.

Britische Botschaft
Presseabteilung
53 Bonn Friedrich-Ebert-Allee 77
Fernschreiber 0886 887 Fernspr Sammel Nr 234061 FAX: 0228/234070

IMMEDIATE

FACSIMILE LEADER

DATE 28.4.89

DOCUMENT CONSISTS OF 1 PAGES ~~PLUS LEADER~~

FROM: David Bell

TO: Mr Terry Perks, Press Office FAXNO:

Downing Street

PRIME MINISTER'S VISIT TO DEIDESHEIM: 30 APRIL
DEUTSCH-ENGLISCHE GESELLSCHAFT (BRITISH-GERMAN SOCIETY)

The Deutsch-Englische Gesellschaft (DEG) celebrates its 40th anniversary this year. It was founded a month before the birth of the Federal Republic and has grown into a nation-wide organisation. It organises lecture tours and speaking engagements for prominent British and German speakers and since 1950 has been responsible for the Königswinter Conferences. The 40th such conference will take place in Cambridge in 1990 and is likely to be the venue for the next Anglo-German Summit (this was agreed at the Frankfurt Summit but not announced formally).

2. The first national German television channel (ARD) are making a programme to be broadcast in June to mark the 40th anniversary of the DEG. They have already obtained contributions from the Federal President and other leading politicians. They have asked whether they might put a single question to the Prime Minister during her visit to Deidesheim. The reply need not last more than 30 seconds. The proposal is that the question be put to while the Prime Minister is in the Old Town Hall for the Golden Book signing ceremony. The TV facility there is pooled (at present 1 British, 1 German). We could therefore easily arrange that no other questions are asked at that stage.

3. Without giving ARD any encouragement that this might happen, we undertook to put the proposal to you. Grateful if you could give it favourable consideration. The above background notes provide more than enough material for a couple of sentences of congratulations to the DEG.

DB 27/4

Britische Botschaft
Presseabteilung
53 Bonn Friedrich-Ebert-Allee 77
Fernschreiber 0886 887 Fernspr Sammel Nr 234061 FAX: 0228/234070

~~PRIVILEGED LEADER~~

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Jerry Perks, Press Office FAXNO:

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2. The first national German television channel (ARD) are making a programme to be broadcast on Tuesday 2 May to mark the 40th anniversary of the DEG. They have already recorded contributions from the Federal President and other leading politicians. They have asked whether they might put a single question to the Prime Minister during her visit to Deidesheim. The reply need not last more than 30 seconds. The proposal is that the question be put to her while the Prime Minister is in the Old Town Hall for the Golden Book signing ceremony. The TV facility there is pooled (at present 1 British, 1 German). We could therefore easily arrange that no other questions are asked at that stage.

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27/4

10 DOWNING STREET
LONDON SW1A 2AA

THE PRIME MINISTER

The Federal Republic and the Deutsch-Englische Gesellschaft have grown alongside each other; and each has achieved remarkable success, which they both celebrate in their 40th anniversary year. The new relationship between Britain and Germany which has been built up over these four decades has benefited greatly from the work of the Deutsch-Englische Gesellschaft in bringing people from both countries together and helping them to understand each other's point of view. I visited Goethe's house in Frankfurt a few weeks ago and recall his admonition: Zwischen uns sei Wahrheit. The Deutsch-Englische Gesellschaft has ensured that there is truth between us and that is a very solid foundation for our relations.

I send you every good wish for your future work: it will remain invaluable.

Margaret Thatcher

April 1989

1a

SECRET

PRIME MINISTER

MEETING WITH CHANCELLOR KOHL

You go to Germany on Sunday to see Chancellor Kohl. You have an hour of talks followed by a working lunch and a short press conference. You then go off together for a sight-seeing tour, the itinerary for which will be decided by Kohl at the last minute.

Presentation

There is intense public interest in this meeting. The expectation is of a confrontation (a 'handbagging') of nuclear proportions. You should certainly be very tough with him in the private sessions. And you will want to explain your point of view to the wider public through the media. But there is nothing to be gained by an appearance of rage or rancour. We are the ones who want to save NATO from a damaging split. We also have an interest in preserving Kohl: always keep a hold of nurse for fear of finding something worse (and the alternative is much worse). You should exude good-humour and confidence that any problems can be overcome: after all NATO is just too important to Germany for it to be put in jeopardy, especially in its 40th Anniversary year. And by praising Kohl's past firmness and resolve on defence issues, you will make him feel uncomfortable about seeming to weaken in the future. Far from being a make-or-break affair, your meeting is simply one of series of continuing contacts between Britain, Germany and other Allies between now and the Summit. Another way of defusing the appearance that Britain and Germany are at a flashpoint will be to make the point that SNF is only among the subjects you have been discussing.

But you will also want to get some clear messages across to German opinion. The main ones are:

1 - NATO has preserved Germany's freedom since the end of the Second World War. Keeping NATO strong and united must come before any other consideration;

SECRET

- we all recognise the new opportunities created by the changes Mr. Gorbachev is making, indeed Britain was first in the field. We should certainly explore them. But not at the expense of NATO's unity: that would just play into Gorbachev's hands. We have to keep our defences strong and sure;

- we must not be starry-eyed about the Soviet Union. We have to recognise the facts: they have modernised 95 per cent of their short-range nuclear weapons over the last five years and are even now developing new short-range missiles. It's not a question of NATO giving a new twist to the arms race: we are well behind the Russians;

- we recognise Germany's enormous contribution to NATO's defence. But it is wrong to think that Germany is somehow much more exposed to nuclear attack than any one else. Britain and the US have very substantial forces in Germany which share the risk. We want them to be properly protected. And our independent nuclear deterrent makes us just as much a target as Germany. We are all exposed to danger from the Soviet Union's military might which is why we seek collective defence in NATO;

- flexible response is NATO's strategy and SNF are crucial to it. The alternative is to go back to a trip-wire strategy of massive nuclear retaliation, with no intermediate options. Is that really what Germany wants?

- we are not opposed to negotiations with the Russians, for goodness' sake. We are negotiating on conventional forces or chemical weapons (and the Americans are on strategic nuclear weapons). But the starting point is not what you can get rid of: it's

what you need to keep to ensure NATO's defence. And short-range nuclear weapons are crucial to that;

- people say that if the Russians have so many more SNF than NATO then surely negotiations to reduce them are in NATO's interest. But that misses the point. The Russians want to get all nuclear weapons out of Europe, because that would leave them with a massive advantage in conventional and chemical weapons, as well as the geographical advantage of their huge hinterland. We need the small number of SNF we have: they are a vital part of our defence. So instead of negotiating them away, we should challenge the Russians - if they are serious - to come down to NATO's levels. SNF negotiations can only be to NATO's disadvantage.

Meeting with Kohl

Kohl wants to start by explaining his internal political situation, before going on to SNF, general East/West relations, South Africa, European monetary issues and the Economic Summit.

SNF

You might start by saying that you have not come with the intention of having public recriminations on this issue. You suggest that after the meeting you should both take the line that the purpose of the discussion has been to work for a successful 40th anniversary Summit, based on adherence to NATO's basic aims of defence and dialogue.

You might then deploy the following arguments:

- last November you and Kohl were agreed on the desirability of an early NATO Summit to take the decision on modernisation. That was what you both knew to be in the best interests of NATO;

- since then nothing has changed on the international scene to invalidate that judgment. The change has come exclusively in Germany's internal politics;

- you sympathise with Kohl's difficulties. You want him to remain in power, because you know that he believes in the same things as you do - strong defence, alliance with the US;

- the conclusion you draw is that we must find an outcome at the NATO Summit which does not increase his difficuties. But no less important, it must be a solution which preserves NATO's unity and strength;

- Kohl has spelled out the German position and that of course is perfectly legitimate. Our position is different. What we now have to agree is the NATO position. If necessary, it will have to be hammered out at the NATO Summit itself. Although Kohl may have the support there of several of the minor allies, he will find himself at odds with Britain and the United States, with NATO's whole reputation in its 40th anniversary year on the line. Does he really want this?

- we need to identify the elements of a position which could be agreed at the Summit. You accept that Kohl cannot, because of his political difficulties, contemplate a decision on the deployment of a successor to LANCE (although you still believe that is what NATO ought to decide - and you remember his earlier display of resolve over the deployment of Pershing II). But we must as a minimum have (a) clear and unqualified confirmation of the requirement for SNF for the foreseeable future; (b) a repetition of the commitment at the last NATO Summit to keep these weapons up to date and (c) support for the US development programme for a successor to LANCE. These are all in fact commitments which NATO has in

the past accepted. You cannot believe that Germany, as a loyal member of NATO, would actually renege on what it has previously agreed;

- when it comes to the arms control dimension, then we are in a much more difficult position. Of course we accept the need for an arms control aspect, and indeed one was set out in the Rekyavik communiqué and we can repeat that. But we have not been able to identify any outcome for SNF negotiations which would be in NATO's interests. He must understand therefore that Britain and the United States are not going to agree - before or at the Summit - to early negotiations on SNF. He can push as much as he likes, but he is not going to get that because we and the Americans believe that it would fundamentally weaken NATO's strategy of flexible response, and lead to denuclearisation of Europe;

- we need therefore to focus on what can be agreed. The first point is a clear statement that we do not want a third zero. Kohl has said this to you time and again, and you were amazed that it did not feature in his statement to the Bundestag;

- the second point should be a challenge to the Russians to make unilateral reductions in their SNF, to reduce their overwhelming superiority and bring their forces down to NATO levels;

- the third point is to underline the scope for further unilateral reductions in NATO's nuclear artillery, if at the same time we keep our other SNF up to date. SACEUR has made clear this can be done. But it must be a unilateral decision by NATO based on our requirements, not a matter of negotiation;

- at the end of the day, it all comes down to the sort of signal which we want NATO to give on its 40th anniversary. Do we want it to look divided?

That is what will happen if the present disputes continue between now and the Summit and there will be no doubt where the responsibility lies. It is not we who are trying to change NATO's agreed policy.

There are two possible concessions which you could deploy at this point, if Kohl had accepted your other arguments (which is unlikely). The first is to say that, if the Russians come down to NATO's SNF levels and there are concrete results in the conventional force negotiations, then we would be prepared to review the scope for further measures to reduce SNF (leaving open whether this would be done unilaterally or collectively). But we probably need to keep this for a later stage of the discussions. The second would be to say we could accept a reference to continuing discussion in NATO of the question of negotiations on SNF. But we do not want a special working group set up with a mandate to consider this: that would lead us straight down the road to negotiations. I doubt very much whether it would be right to deploy either of these concessions on Sunday.

If he proposes follow-up meetings of officials you might say that there will certainly need to be normal contacts, and the best forum might be a tripartite Anglo/American/German one. But the issues now are intensely political and you doubt that they can be resolved below the political level. You are ready to take them to the Summit itself if necessary.

Low-flying

You will want to register your concern that we maintain an adequate level of training for our forces. RAF Germany is already exporting 40 per cent of its low flying elsewhere, and the low-flying burden is just as heavy in the UK as in Germany. We have certain minimum requirements (20 minutes per sortie at 250 feet and 80 sorties per pilot per year) and we

9

cannot go below them. We simply cannot accept any arbitary reductions.

East-West relations

You will want to go over Gorbachev's visit (on which you sent him a message). The point to get across is that a warm atmosphere and frank talking are perfectly compatible.

You might also deal with Poland. Clearly political reform must have its reward in greater economic assistance. But it would do the Poles no real service to help them evade an IMF agreement and bilateral debt agreements as a further condition for our assistance.

Chemical weapons

You could tell him of the firm line you took with Gorbachev, and suggest that the NATO Summit should underline the need for Soviet openness.

European Community

There are several points here:

- economic and monetary issues. You will want to point to the absurdity of the Delors Committee injunction that accepting the first steps towards EMU requires a commitment to the whole process. You should urge a cautious approach at Madrid which concentrates on practical and procedural rather than institutional aspects;

- you will want to establish his position on an EC withholding tax now that the Germans have abolished theirs;

- you should urge a practical approach on frontiers. We are ready to get rid of unnecessary controls. But as an island we must keep them at water's edge and airports where they are necessary for security, and animal and plant health;

- the Community must not try to railroad through worker participation. We don't want to interfere in anyone else's practice, and they should not interfere in ours;

- you will want to mention your wish for a discussion of fraud at the Madrid Council.

Terrorism

You will want to express regret for the death of the Germany explosives expert, and point to the significance of the Frankfurt investigations for Lockerbie.

South Africa

It would be helpful to give him your conclusions from your visit to Southern Africa and meetings with Botha and du Plessis. We very much hope the Germans will join us in support for the Urban Foundation's proposal to establish a housing loan guarantee for black South Africans. The Americans have now promised support.

Nuclear Reprocessing

You should remind him that BFNL are discussing the use of their reprocessing facilities at THORP with several West German utilities. We noted the declaration issued on Franco-German co-operation in this area at the recent summit between him and Mitterrand. We hope that it is not intended to exclude the UK.

A full set of briefs and supporting papers are in the folder.

C. D. POWELL
28 April 1989

SL3BJU

CONFIDENTIAL

Foreign and Commonwealth Office

London SW1A 2AH

28 April 1989

Dear Charles,

Cooperation with Czechoslovakia on the Detection of Explosives

The Prime Minister may wish to be aware of recent developments on the marking of explosives as background for her meeting with Chancellor Kohl.

In bilateral official talks in Prague on 26/27 April, we reached agreement on joint work with the Czechs towards an International Convention for the marking of explosives. The aim is to require countries to ensure that all plastic explosive contains a chemical additive detectable by existing detection systems. It will take some two years to identify and test a suitable additive. Our aim is to establish a diplomatic process which would produce a draft Convention in a similar time frame; the technical specification would be annexed. We have kept our EC and Summit Seven partners informed of our discussions with the Czechs. The Germans have expressed firm support for a Convention.

We hope that the tragedy at Lockerbie can be used to give impetus to this advance in the fight against terrorism. We also see, in the Czech readiness to cooperate in this way, evidence of changing attitudes in Eastern Europe.

I am copying this letter to Trevor Woolley (Cabinet Office).

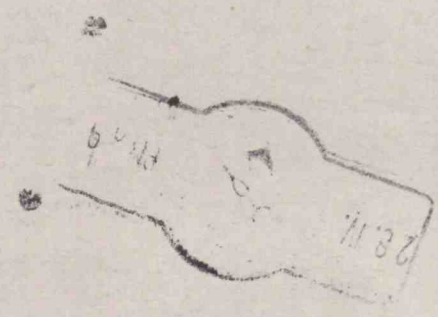
Yours,

Stephen Wall

(J S Wall)
Private Secretary

C D Powell Esq
10 Downing Street

CONFIDENTIAL



Foreign and Commonwealth Office

CONFIDENTIAL London SW1A 2AH

27 April 1989

Dear Charles,

Meeting with Chancellor Kohl: Deidesheim, 30 April

The meeting was agreed in principle and announced at the Summit on 20-21 February. Deidesheim is near Kohl's home town of Ludwigshafen and is a Rhine valley wine-growing area. There will be a session of talks from 1145-1300, followed by lunch and a press conference. I attach a programme (still subject to Kohl's approval).

Kohl is under intense domestic political pressure. The results of the European elections might well determine his future as Party Leader even before the general elections in December 1990. His recent Cabinet reshuffle and policy statement today are intended to restore domestic confidence in him.

SNF and the NATO Summit will clearly dominate the meeting. Events are moving very fast. I am writing separately on this. On low-flying, of which the previous Defence Minister Scholz made such a meal, both the Germans and we prefer now to let Stoltenberg read himself in before pursuing the issue.

German reactions to Gorbachev contribute to our current problems. It would be very helpful to give Kohl an account of Gorbachev's visit here, pointing up Gorbachev's own appreciation of the economic and political problems ahead of him and his hard line on arms control issues.

Gorbachev is visiting Bonn on 12-15 June and the Germans are negotiating a joint declaration to be issued during the visit. The Germans may be reluctant to challenge the obvious shortcomings in Gorbachev's concept of a "Common European Home" and may prove easy meat for Gorbachev. It would be helpful to underline that with Gorbachev a warm atmosphere and frank talking are perfectly compatible.

Polish/German relations are beset by problems ranging from treatment of the German minority in Poland to economic aid. Kohl's visit has again been postponed, though von Weisäcker might visit for the 50th anniversary of World War II. There are differences in Bonn over Poland, with the Finance Ministry taking a tough line; but the Germans are likely to offer economic help. Kohl may seek our views. We

believe that the historic step in Poland should certainly be acknowledged. But we should still continue to insist on an arrangement with the IMF and signature of bilateral debt agreements before considering further long-term Paris Club rescheduling or new credits. In the Community there is general agreement that the approach to negotiating a trade and economic cooperation agreement with Poland should take full account of Polish progress on reforms. We need to be flexible and imaginative in looking at other ways to help the Poles: eg sharing our expertise in management, financial and other economic services, and in running a functioning democracy and independent judiciary. We are working on a package.

It would be helpful to brief Kohl on our exchanges with Gorbachev over CW. We have told him frankly of our doubts over Soviet claims and are continuing to press in Moscow for the true facts. The NATO Summit communique might usefully underline the need for Soviet openness on CW. Kohl might suggest setting a target date for the conclusion of a CW Convention. Much detailed negotiation remains to resolve the complex problems outstanding in Geneva. Artificial deadlines would put the West under pressure to agree unsatisfactory provisions.

Kohl might refer to new German proposals for additional CW-related export controls. We are studying these. To be effective, export controls must be well-targetted and cause as little disruption as possible to legitimate trade. On the Rabta plant in Libya, the Prime Minister may like to stress the need to prevent Qadhafi gaining any propaganda initiative by opening the plant for inspection. As it could be converted quickly to innocent use, and back, such inspection would prove nothing.

On EC issues, we want to focus efforts on the Single Market and the priorities set last year at Hanover, in particular banking and investment services, and public procurement.

The Danes and Greeks have joined the UK, Luxembourg and the Netherlands in opposition to the Commission's proposal on Withholding Tax. The Federal Government announced the abolition of their own highly unpopular tax on 25 April. It is not yet clear how this will affect the German position (hitherto favourable) on the proposed EC tax. We see no need for the Commission's proposal. It involves large risks; it will not work, and it will damage financial markets.

The Germans have strongly supported the Commission approach on Indirect Tax, since they see tax approximation as essential for the abolition of fiscal frontiers. But there are signs they are willing to consider alternatives. The Commission's recent change of position on indirect tax and its willingness to consider alternative approaches is very

significant. The UK approach offers immediate and practical steps which would lead to the abolition of fiscal frontiers.

It would be helpful to stress the importance of action against fraud. Progress is needed by the Madrid European Council. ECOFIN made useful progress in March, and will revert to the issue in early June.

If there is time, it may be worth raising frontiers, on which the group of 'coordinators' set up at Rhodes are drafting a report to the Madrid Council. We want to avoid wrangling on legal issues and concentrate instead on areas for practical cooperation (such as extradition, asylum policy and TREVI work on combatting terrorism and drug smuggling). We want to remove unnecessary controls, while retaining all those we need for security. Kohl told the CDU Conference on 12 April that, while frontier abolition had economic advantages, people had a right to expect that security would not be affected. This could perhaps be commended. We also agree on the need for greater police cooperation, but Chancellor Kohl's idea of a Euro-FBI goes too far too fast.

Social issues will be on the Madrid agenda. The Commission are working on proposals for a "Social Charter", which the French Presidency is likely to pursue. If Kohl raises this, our concern is not to dilute the deregulatory message of 1992. If he raises worker participation, in the draft 5th Company Law Directive or a European Company statute, the Prime Minister might warn that while we have no desire to interfere with German practice, we shall not accept interference with ours.

The Prime Minister might point out that completion of the Single Market will help to remove structural rigidities in the German economy which restrict the growth of German domestic demand and which contribute to Germany's trade surplus. Reducing world trade imbalances will be one of the major subjects at the Paris Economic Summit in July though we, like the Germans, see the control of inflation as the main priority. Kohl is apparently interested in the link between debt and the environment ("debt for nature" swaps) and sees both issues as a priority for the Paris Summits (as do most other participants). If creditor banks and debtors wish to negotiate a link between the two we see no objection, but oppose Government involvement with the consequent transfer of risk from the private to the public sector.

The Treasury have written to you direct on EC monetary issues.

On terrorism the Prime Minister might express regret about the death on 17 April of a German explosives expert who was examining a device in a radio tuner seized from PFLP-GC terrorists in Frankfurt. The significance of the Frankfurt

investigation for Lockerbie is increasingly evident, as the Germans may now have heard from their Police and intelligence authorities. But our common task of tracking down these murderers has some way to go. Proper coordination of measures to make aviation safe must remain a priority for us and our partners.

There may not be time for regional issues but if there is, a short exchange on Arab/Israel and South Africa would be useful. On Arab/Israel, as the Prime Minister said in Morocco, three things are needed for negotiations to begin: the influence and resolve of the United States with Israel; the support of the Five; and the direct involvement of Palestinian representatives from both inside and outside the Occupied Territories. The Twelve have agreed to continue discreet contacts with the parties; Shamir's visit in May is part of our contribution to this. But the main burden rests with the Americans. Shamir's plan for elections in the Occupied Territories will work only if these are seen as part of a process. The Palestinians should not dismiss the proposals out of hand; but they can reasonably demand that elections should initiate a process leading to a political settlement. We should say so to the Israelis and tell them it is our firm view that the political process initiated by elections should include an International Conference, even though this may be still some way off.

Kohl may raise Lebanon. Our main objective is to encourage the Arab-League's efforts to promote a ceasefire and settlement. We are prepared to consider a major humanitarian effort once a ceasefire is in place.

On South Africa Kohl will be keen to have directly from the Prime Minister an account of her meetings with Pik Botha (on which Sir C Mallaby has briefed Teltschik) and Barend du Plessis. She might like to give Kohl an account of her African tour and talk of the climate for positive change in South Africa. The new generation of leadership in South Africa will need to be given encouragement to take bold initiatives on reform. If we do not see early progress, there is likely to be renewed pressure for further sanctions. In particular, the Bush administration may be prepared to compromise with Congress on sanctions in their search for bipartisanship in foreign policy. We must use our programme of thickening contacts with South African leaders to encourage them in the direction of reform and we hope that the FRG will continue to work with the UK towards this goal.

You wrote to Teltschik on 22 March about the Urban Foundation's proposal to establish a housing loan guarantee for black South Africans. We have yet to receive a reply. It would be worth a reminder. We envisage contributing some 2 million Rand to a total fund of 20 million Rand. We have also commended the project to the US, Swiss and Japanese

Governments.

Kohl may raise the Missile Technology Control Regime (MTCR), of which both the UK and FRG are members, and in particular the recent Panorama programme "the Condor Conspiracy". This featured an interview with Mr Waldegrave and covered in some detail the alleged involvement of West German companies (notably MBB) in the Condor ballistic missile being developed by Argentina, Egypt and Iraq. The German authorities' decision to investigate the companies concerned is welcome. We have no evidence of any illegal UK involvement in the Condor project.

I am copying this letter to Trevor Woolley (Cabinet Office).

Yours,
Stephen Wall

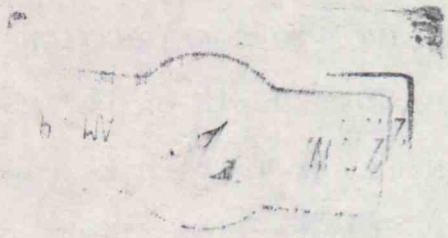
(J S Wall)
Private Secretary

C D Powell Esq
10 Downing Street

MEETING WITH CHANCELLOR KOHL, DEIDESHEIM, 30 APRIL

PROGRAMME (STILL SUBJECT TO CONFIRMATION BY KOHL)

1100	Arrive USAF Ramstein on RAF HS-125 Met by Neuer or Teltschik Embark Helicopter for flight to Deidesheim
1120	Arrive Deidesheim. Met by Kohl
1130	Arrive Town Hall for Golden Book Signing Ceremony and possible sampling of local wine
1140	Walk across village square to Deidesheimer Hof Hotel. Greeted by Manager, Herr Hahn Proceed to Personal Suite
1145-1300	Talks (Prime Minister, Mr Powell, Chancellor, Herr Teltschik, Dr Neuer, Interpreter)
1315	Lunch in private dining room Participants as above
1445	End lunch and talks
1500-1530	Meeting with the Press in Hotel Short statements. Time for a few questions
1545	Sightseeing begins. Involving the Chancellor, the Prime Minister, Herr Teltschik, Mr Powell, Dr Neuer
1800	Farewell from Chancellor Kohl (Location not announced). Departure for Ramstein by helicopter
1830	Depart Ramstein for London



Foreign and Commonwealth Office

CONFIDENTIAL London SW1A 2AH

27 April 1989

Dear Charles,

SNF

This letter provides briefing on SNF for the Prime Minister's meeting with Chancellor Kohl.

The German position was read out by the Chancellor in the Bundestag today, with the rider that it is for discussion with Allies. I attach a copy with our commentary on it. I also enclose a copy of Bonn's reporting telegram on Kohl's speech.

Our strategy remains clear:

- to do nothing to prejudice the deployment of a tactical air-to-surface missile (TASM);

- to keep the development of a follow-on to LANCE (FOTL) on track between now and 1991/2, and to secure a production and deployment decision at the latest by then;

- to avoid any arms control negotiation and the slippery slope to a "third zero".

The Foreign Secretary believes that our bottom line for the NATO Summit must be to insist on:

- the long-term requirement for land-based short-range missiles;

- the 1988 'up-to-date where necessary' formula;

- no commitment to arms control negotiations and therefore no high-level group to study the issue.

Provided that we secure these points, we would have a minimum amount of common ground on which we could build a definitive modernisation decision over the next two years, and which should secure the necessary funding for SNF development from Congress. We would not, in that case, need:

- reference by name to FOTL or TASM;

- explicit Alliance support for the US development programme.

Is this with?

Meanwhile, in discussion with the Germans, we recommend that we should press for all of these ingredients. Now is not the time to lower our demands. Nor should we allow discussion to be anchored on the German text. The Prime Minister may, therefore, wish to deploy the following arguments:

- on modernisation, effective and credible land-based and air-launched SNF systems will remain an essential part of NATO's strategy of flexible response for the foreseeable future. A successful outcome to the negotiations on Conventional Forces in Europe would not obviate the need for such systems. Arms control agreements made reduce the number of theatre nuclear weapons we need but not the types of system needed for effective deterrence. A "third zero" on SNF missiles would thus not be acceptable for as far ahead as can be seen. All of this has been common ground between us: we must not resile.

- Ministers in the Nuclear Planning Group have repeatedly confirmed the requirements for a FOTL (and TASM). They have also supported US efforts to develop FOTL (and US and UK efforts to develop TASM). These commitments should be reaffirmed at the NATO Summit. It would be extremely damaging if Germany were now to renege on them. While we would have preferred the Summit to agree in principle to deploy these systems, we will not insist on this now in view of German difficulties.

- on the arms control side, we should play up at the Summit the benefits of updating:

  - longer range places emphasis on deterrence rather than war-fighting;

  - scope for substantical reductions.

- we would also be prepared to state that further SNF cuts will be made if significant "concrete results" are achieved towards eliminating the conventional imbalance.

- it is clear from the Gorbachev visit that the explicit aim of the Warsaw Pact is the denuclearisation of Europe. Given the conceptual difference between this view and NATO's requirement to retain SNF as an essential element of deterrence, there is no prospect of a fruitful outcome from any SNF negotiations. Political pressures and verification problems would drive the Alliance over several years to accept a third zero. There would be grave implications for Europe-US relations. Contrary to what Genscher has said, the 1987 Reykjavik formula makes no reference to SNF negotiations.

- NATO has always had an active arms control dimension to its own SNF policy (reductions in the warhead stockpile from 7,000 to 4,600 since 1979). The Alliance should now call upon the Warsaw Pact to eliminate unilaterally its overwhelming superiority in these systems. If the Russians come down to NATO SNF levels, and agree to significant "concrete results" in CFE, we would be prepared to review the scope for further measures to reduce sub-strategic systems (leaving totally open whether this would be done unilaterally or collectively).

This last sentence would make a nod in the direction of an arms control "perspective" which even Woerner argues is essential. Realistically, if there are concrete results from CFE and if the Russians come down to NATO SNF missile levels, the world will look very different and NATO will have to review its position. To put this in writing would not be a hostage to fortune, provided that we kept open the unilateral as well as the collective option. But it is a matter of tactical judgement whether to deploy the last sentence at this stage. It would be worth doing so in exchange for agreement on our bottom line. But we should not let the Germans simply pocket it.

The Prime Minister and the Foreign Secretary agreed yesterday that we should make clear that we are prepared, if necessary, to deal with this at the Summit, rather than accept a bad conclusion. This will maximise the pressure on the Germans (and on the Americans, who are very anxious to avoid an acrimonious Summit). But we should recognise that the alignment of forces is unlikely to favour us as the Summit approaches. Sir Michael Alexander assesses that we are likely to be in a minority of two (with the French as tacit supporters on arms control but not prepared to press Kohl on modernisation). Our recent contacts with Washington suggest that the Bush Administration will be prepared to accept a minimal statement on modernisation in the interest of securing two other objectives:

(i) to avoid commitment to arms control negotiation;

(ii) to avoid an Alliance row which would harm Bush's image and could stir up Congressional trouble over funding and burden-sharing generally.

The Prime Minister discussed tactics yesterday with the Foreign Secretary (your letter of 26 April). It is not yet clear how the Germans, or indeed the Americans, see matters being taken forward between now and the Summit. The Prime Minister will wish to give President Bush an early account of her meeting with Kohl; and we will need to concert closely with the Americans on how to proceed. If their disposition is to allow the Germans to stew for a while, if necessary up to

the Summit itself, then we have no interest in advocating early contacts. If, however, the Americans are disposed to try to get the matter sorted out in advance of the Summit, then we shall want to make clear that this should not be done simply at the bilateral US/German level. British Ministers will want to continue to make their views known to the Americans and the Germans over the next month. The Germans, if they are disposed to compromise at all, will probably try to do so through a bilateral deal with the United States, in the belief that the Americans, because of their wish for a peaceful Summit, will be easier to roll over.

Finally, on public handling, we recommend:

- a short joint line, reaffirming the March 1988 Summit Declaration (as was done at Frankfurt) and confirming that the two sides will continue to consult with a view to reaching agreement at the Summit;

- a short but clear statement of HMG's position, to match the German statement.

I am copying this letter to Brian Hawtin (MOD) and Trevor Woolley (Cabinet Office).

Yours.
Stephen Wall

(J S Wall)
Private Secretary

C D Powell Esq
10 Downing Street

FRG PAPER ON SNF

COMMENTARY ON THE GERMAN POSITION

1. The Government of the Federal Republic of Germany endorses the Alliance's observation that there is at present no foreseeable alternative to the concept of preventing war through deterrence based on an appropriate mix of adequate and effective nuclear and conventional forces.

Comment: Unobjectionable as far as it goes but misses out the final part of the key sentence in the 1988 Summit communique: "which will continue to be kept up-to-date where necessary".

2. In the case of nuclear forces, land-, sea- and air-based systems are under the existing circumstances needed in Europe, too.

Comment: "Under the existing circumstances" unacceptably weak. Theatre deterrent would not be adequate and effective without land-based systems.

3. The development of a follow-on system to the LANCE short-range missile is a national American decision.

Comment: Resiles from past agreed confidential minutes of NATO Nuclear Planning Group which reaffirm Ministers' support for US efforts to meet the identified requirement for FOTL. (NPG confidential minute of October 1988: "Ministers reaffirmed their continuing support for United States efforts to meet the identified requirement for a follow-on to LANCE".)

4. Within the framework of the Comprehensive Concept of Arms Control and Disarmament, the Alliance will issue a mandate for the early commencement of negotiations on short-range nuclear missiles aimed establishing equal ceilings at lower levels, as defined by the Alliance at Reykjavik in 1987 and at Brussels in 1988.

① 1992 ⇒ 1996

② Germany

③ Polaris - U.S

Comment: Implies Reykjavik formula calls for early negotiations - it does not.

5. For nuclear artillery warheads, too, a negotiating mandate will be included in the Comprehensive Concept with a view to attaining equal ceilings at radically lower levels.

Comment: Entirely new element in Alliance's arms control agenda. Same objections as for negotiations on SNF missiles. Verification would be even more difficult than for missiles.

6. In 1992 the Alliance will decide, in the light of political and security developments and especially the results of all disarmament negotiations, on whether or not it is necessary to introduce a follow-on system to LANCE into the Alliance in 1996 and hence on the production and deployment of such a system.

Comment: Leaves impression that FOTL may well not be necessary - we see no circumstances under which we will not want to deploy it. NATO Defence Ministers have endorsed a High Level Group report confirming the need for FOTL. (HLG Paper on the Role of SNF, 1988: "NATO therefore requires a mixed SNF capability comprising both longer SSMs and nuclear artillery, with the emphasis on the former to reflect their greater flexibility and utility".)

7. The decisive and crucial factors in this respect will be whether it proves possible to achieve greater security at lower levels of nuclear and conventional forces in general, to conclude binding agreements with the Warsaw Pact on the elimination of the capability for launching surprise attacks and initiating large scale offensive action, to attain, through suitable agreements, a higher degree of mutual trust on account of increased transparency and predictability of military conduct.

Comment: A successful outcome to CFE would not obviate need for FOTL. Arms control agreements may reduce quantitative requirement

for theatre nuclear weapons but not the types of system needed for effective deterrence.

8. Omissions:

- no explicit rejection of "third zero".
- no call on Soviet Union unilaterally to reduce its SNF levels to those of NATO.
- no mention of substantial stockpile reductions which modernisation will permit.

STATEMENT OF THE UK POSITION

Effective and credible land-based and air-launched SNF systems will remain an essential part of NATO's strategy of flexible response for the foreseeable future. A "third zero" on SNF missiles would not be acceptable.

We therefore need up to date SNF and support the work being done by the US to develop a follow-on to LANCE. But precise deployment decisions are not for now.

By keeping NATO's SNF missiles up to date we can make substantial reductions in NATO's nuclear stockpile (already cut by 35% this decade). Restructuring will also involve a shift to longer ranges which will emphasise the deterrence role of SNF systems.

All of these elements are entirely consistent with established Alliance policy.

The explicit aim of the Warsaw Pact is the denuclearisation of Europe. Given the conceptual difference between this view and NATO's requirement to retain SNF as an essential element of deterrence, there is no prospect of a fruitful outcome from any SNF negotiations.

NATO has always had an active arms control dimension to its own SNF policy (reductions in the warhead stockpile from 7,000 to 4,600 since 1979). The Alliance should now call upon the Warsaw Pact to eliminate unilaterally its overwhelming superiority in these systems.

(5) 92 - Now examine the cover text.

Nuclear Armaments - most difficult for Conference

(6) Remark 1 difficult to evade USSR.

Peaceful. II

£ 50-
£ 150- II

Land -

Systems - agreement

Land Sea & Air

necessary.

Rights - Political Rights

S.R. ↓ Defence.

Joke concepts (- defence security)

Writers

(1) Land Sea Air

(2) Americans. - Their Interests

Consider the Interests

SECRETARY OF STATE FOR ENERGY
THAMES HOUSE SOUTH
MILLBANK LONDON SW1P 4QJ

01 238 2149

Charles Powell Esq
Private Secretary to
The Prime Minister
10 Downing Street
LONDON
SW1A 2AA

27th April 1989

Dear Charles,

I am writing about a recent development on the nuclear front which could be raised by the Germans and which you may wish to draw to the Prime Minister's attention before her meeting with Chancellor Kohl at the weekend.

Earlier this month the Federal German energy concern VEBA announced that they had come to a preliminary agreement with COGEMA, the French nuclear fuel reprocessing company, to reprocess a substantial proportion of the total German spent fuel arising from around 1999 onwards. COGEMA already has contracts for the first ten year's capacity in its new reprocessing plant which is due to come into operation next year at La Hague, and like BNFL, whose THORP plant is due for completion in 1992, is now beginning actively to look for customers to secure the longer term commercial future of the plant.

This is a sensitive issue for the Federal German Government. The proposed VEBA-COGEMA agreement has been widely perceived as a setback to German Government plans, as part of an independent national nuclear waste treatment and disposal plan, to build their own reprocessing plant at Wackersdorff, and it was agreed that it should be on the agenda for the Kohl-Mitterand discussions in Paris on 19-20 April. The attached Joint Declaration was issued after the Summit. If the VEBA-COGEMA agreement were to go ahead on the basis proposed, it would undoubtedly be damaging to BNFL's hopes for further business from their German customers in THORP. There are, however, reports of reservations in German Government and industry circles about VEBA's plans, and a number of German utilities are in discussion with BNFL about the possibility of further reprocessing in THORP.

SECRETARY OF STATE FOR ENERGY

My Secretary of State would not wish to suggest that this is a matter which the Prime Minister should seek to raise with Chancellor Kohl. If the subject were to be alluded to by the Chancellor, however, the Prime Minister might say that she hopes the Federal German Government welcomes the contacts which are taking place between German utilities and BNFL, and seek an assurance from Chancellor Kohl that he does not support French attempts to corner the market.

I am sending a copy of this to the Foreign Secretary's office.

Yours ever,

Stephen.

S HADDRILL
Principal Private Secretary

Translation

Franco-German Summit Talks

Joint Declaration on Cooperation in the Peaceful Use of Nuclear Energy

The two Governments have expressed their interest in collaborative projects in the field of the nuclear fuel cycle.

After confirmation by the Federal Government, in agreement with the French Government, of its intention to adhere to its nuclear fuel cycle policy, which includes the existence of two sites for reprocessing plants in France and the Federal Republic of Germany, the two Governments have agreed to place the declaration of intent between VEBA and COGEMA in a larger framework:

- the peaceful use of nuclear energy;
  - . nuclear fuel cycle (manufacture, reprocessing, treatment of waste)
  - . nuclear power plants;

- energy policy in all its aspects and possibilities for coordinating the political objectives of the two countries,

- energy technologies.

A working group headed by M. FAUROUX, Minister for Industry and Regional Planning, and Herr TÖPFER, Minister for the Environment, Nature Conservation and Reactor Safety, will examine the declaration of intent between VEBA and COGEMA in this extended framework within the next two months. The same working group will present initial ideas on cooperation in the above-mentioned areas at the next Franco-German Summit.

Paris, 20 April 1989

CONFIDENTIAL

CCPC

MINISTRY OF DEFENCE
MAIN BUILDING WHITEHALL LONDON SW1A 2HB
Telephone 01-218 2111/3

MO 14/3L

27th April 1989

CDM 1/5

Dear Charles,

EFA RADAR

We have received indications that Chancellor Kohl is being briefed to raise with the Prime Minister the question of the selection of the airborne radar for the European Fighter Aircraft (EFA). Given the magnitude of the other issues to be discussed this weekend, it is perhaps unlikely that it will be raised by the German side. Nonetheless, it is an important issue in Anglo/German defence relations and the Germans have convinced themselves, despite our best efforts, that there is political direction from the highest level in London in favour of the bid led by Ferranti. The Prime Minister may accordingly wish to be aware of the present position.

The EFA airframe development programme now requires the selection of an airborne radar. A consortium led by Ferranti and including Siemens of Germany is offering the ECR 90, a further development of the Blue Vixen radar destined for the Sea Harrier. The competing consortium is led by AEG of Germany (now incorporated into Daimler Benz) and includes Marconi; they are offering the MSD 2000, a design based on the US AN/APG 65 radar installed in the F18 aircraft.

On the basis of total prices, there is little to choose between the two bids and both are affordable within the allowance made in the overall price by the prime contractor, Eurofighter. Officials have not, so far, been able to achieve a common view with Germany over the technical ranking of the two bids, and of the degree of risk to be attributed to each, although discussions aimed at reaching a common view continue. The Germans have argued that both bids meet the requirement, but that ECR 90 has the greater software risk. The view of our experts, which is fully supported by RSRE and British Aerospace and additionally by an independent study by a leading scientific software house, is that the MSD 2000 falls significantly short of the operational requirement; and that there is a considerable risk in the task of rewriting and expanding

Charles Powell Esq
10 Downing Street

the US software. The ECR 90, for its part, does not fully meet the requirement, but its shortfalls are considered to be slight and acceptable. Until recently, both the Luftwaffe and the German MOD had favoured the MSD 2000. This appears to have much to do with the amount of Federal Government money which has been put into AEG to build up its capability and perform work on German national contracts. The Luftwaffe have recently however shown a readiness to align themselves with British official views which Spain and Italy already share. It is probably not coincidental that the AEG consortium last week made an unsolicited and out-of-time offer of a price reduction. Consideration is now being given by the nations as to how to respond to this.

Against this background, it is not easy to predict what Chancellor Kohl might raise with the Prime Minister. He may complain that there has been no real competition, because of political direction in London; if so, the Prime Minister could simply refute such allegations. He may repeat the claim made by Dr Scholz to Mr Younger that selection of the ECR 90 would cause a cost overrun of 200 to 400 million DM; if so the Prime Minister could point to the firm non-revisable prices which both consortia are prepared to offer together with substantial liquidated damages if they do not perform to time. He might also repeat the German view that the ECR 90 involves a substantially greater software risk than MSD 2000 - the Prime Minister might in reply regret that it has not been possible so far to reach agreement on these technical aspects and express the strong hope that current discussions achieve this.

It is possible also that the matter of the US involvement in the MSD 2000 might come up. Obviously we have no objection of principle to US involvement if this meant good value for money. However, the US are insisting on a formal Memorandum of Understanding (MOU) which would entail a right of veto over exports of the radar (and thus the aircraft), a free flow back of information on developments made at our expense and a guaranteed share for US industry in development and production. For various reasons this MOU gives severe difficulties to us, Italy and Spain although Germany would find it acceptable, and would perhaps find US exportability restrictions a comfortable expedient.

I am sending a copy of this letter to Richard Gozney (FCO).

Yours sincerely,

John Colston.

(J P COLSTON)
Private Secretary

CONFIDENTIAL

ADVANCE COPY Too late

FM BONN
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INFO PRIORITY OTHER EC POSTS AND OTHER NATO POSTS

PRIME MINISTER'S MEETING WITH CHANCELLOR KOHL, 30 APRIL:

SCENE SETTER.

SUMMARY

1. KOHL IN POLITICAL DIFFICULTY. TRYING TO RECOVER THROUGH CABINET RESHUFFLE AND TODAY'S POLICY STATEMENT. LATTER CONFIRMED SOME POLICY CHANGES THAT WILL BE POPULAR. TOO SOON TO SAY WHETHER KOHL AND THE CDU CAN ACHIEVE RECOVERY.

2. ADVICE ON HANDLING SNF WITH KOHL, ON OTHER TOPICS WORTH MENTIONING IN THE TALKS AND ON HANDLING THE MEDIA.

DETAIL

3. KOHL'S DOMESTIC POLITICAL PROBLEMS, SINCE THE CDU'S ELECTION DISASTERS IN BERLIN IN JANUARY AND HESSE IN MARCH, WERE DESCRIBED IN MY TELNO 416. HIS BID TO GET OUT OF THE DOLDRUMS HAS TWO ASPECTS: THE RECENT CABINET RESHUFFLE AND SOME CHANGES OF POLICY INCLUDED IN TODAY'S MAJOR SPEECH IN THE BUNDESTAG (MY TELNOS 456-7). THE LATTER WAS STRONG AND CONFIDENT IN STYLE. IT CONTAINED POLICY REVERSALS ON WITHHOLDING TAX AND MILITARY SERVICE THAT WILL BE POPULAR, BUT NO SURPRISES. IT IS TOO SOON TO SAY WHETHER KOHL AND THE CDU CAN RECOVER POLITICAL DIRECTION AND SUCCESS. IF THE CDU DOES VERY BADLY IN THE EUROPEAN ELECTION IN JUNE, KOHL'S POSITION AS CHANCELLOR MAY BE IN DANGER: THE LIKELY SUCCESSOR WOULD BE SPAETH, MINISTER-PRESIDENT OF BADEN-WUERTTEMBERG.

SNF

4. THE CDU'S ELECTION FAILURES IN BERLIN AND FRANKFURT WERE ONE REASON WHY KOHL, HAVING EARLIER FAVOURED AN SNF MODERNISATION DECISION THIS YEAR, LOST HIS NERVE IN FEBRUARY. ANOTHER FACTOR WAS THAT GERMAN PUBLIC OPINION, GREATLY IMPRESSED BY GORBACHEV, HAVE NO STOMACH AT PRESENT FOR DIFFICULT DEFENCE DECISIONS, SO THAT GENSCHER'S SNF POLICY ACCORDED WITH THE PUBLIC MOOD.

5. KOHL REMAINS A BETTER INTERLOCUTOR FOR US ON SNF THAN GENSCHER OR

THE NEWLY APPOINTED STOLTENBERG. IN HIS BUNDESTAG SPEECH TODAY, HE DECLARED WILLINGNESS TO TALK WITH ALLIES ABOUT SNF. THE PRIME MINISTER'S MEETING WITH HIM IS THE FIRST CHANCE TO TEST HOW MUCH THIS MEANS. KOHL MUST REALISE THAT, WHILE THE GERMANS MAY BE IN A POSITION TO PREVENT A MODERNISATION DECISION BY THE ALLIANCE THIS YEAR, THEY CANNOT FORCE THE AMERICANS INTO NEGOTIATIONS ABOUT SNF.

6. THE PRIME MINISTER COULD SAY TO KOHL THAT SHE REGRETS THE GERMAN POSITION ON MODERNISATION AND ON NEGOTIATION, AND REGRETS THAT IT WAS LEAKED (23 APRIL) BEFORE ALLIES OTHER THAN THE AMERICANS WERE INFORMED (LATE ON 26 APRIL), BUT THAT WHAT MATTERS NOW IS TO TALK ABOUT ELEMENTS FOR A JOINT NATO POSITION. THERE WOULD BE NO HARM IN TELLING KOHL THAT WE ARE WILLING IF NECESSARY TO SORT OUT THIS PROBLEM AT THE SUMMIT ITSELF. THAT WILL DRIVE HOME THAT HE MUST ULTIMATELY TAKE RESPONSIBILITY FOR THE GERMAN POSITION. HE WILL NOT LIKE THE IDEA OF HAVING TO ARGUE, WITH SUPPORT ONLY FROM MINOR ALLIES, AGAINST THE PRIME MINISTER, BUSH, LUBBERS AND POSSIBLE MITTERRAND AT THE SUMMIT.

7. KOHL OPPOSES A THIRD ZERO AND IT SHOULD BE POSSIBLE TO PERSUADE HIM, DESPITE GENSCHER'S VIEWS, THAT THE AGREED NATO POSITION MUST INCLUDE THIS POINT. ON MODERNISATION, REITERATION OF NATO'S ''UP-TO-DATE'' POSITION OF MARCH 1988 IS A MINIMUM WHICH KOHL CAN HARDLY REFUSE. HE MIGHT ALSO BE BROUGGHT, AGAIN DESPITE GENSCHER'S VIEWS, TO AGREE THAT NATO MUST DECLARE ITS NEED FOR LAND, SEA AND AIR-BASED NUCLEAR SYSTEMS IN EUROPE FOR THE FORESEEABLE FUTURE. WE SHOULD PRESS FOR MORE THAN THIS, BUT MAY NOT GET FAR.

8. KOHL WAS KEEN, EVEN BEFORE FEBRUARY, ON INCLUDING IN THE COMPREHENSIVE CONCEPT SOME MOVE TOWARDS NEGOTIATIONS ON SNF. SUPPORT FOR THE IDEA HERE IS LONG-STANDING AND VERY WIDESPREAD. KOHL WILL WANT NATO TO GO FURTHER THAN THE POSITION OF MARCH 1988 THAT REDUCTIONS TO EQUAL CEILINGS SHOULD COME ''IN CONJUNCTION WITH THE ESTABLISHMENT OF A CONVENTIONAL BALANCE AND THE GLOBAL ELIMINATION OF CHEMICAL WEAPONS''. HE WILL PROBABLY ARGUE THAT TO CALL FOR ''EARLY'' NEGOTIATIONS ALLOWS FLEXIBILITY AND THAT NATO COULD SET UP A WORKING GROUP TO CONSIDER A MANDATE WITHOUT A DEADLINE FOR RESULTS. THAT WILL SEEM TO HIM A MODEST PROPOSAL, BY COMPARISON WITH GENSCHER'S WISH FOR ''IMMEDIATE'' NEGOTIATIONS. THE PRIME MINISTER, I SUGGEST, SHOULD STRESS NOT ONLY THE SUBSTANTIVE ARGUMENTS, BUT ALSO THAT THERE IS NO CHANCE OF THE UNITED STATES OR THE UNITED KINGDOM (OR PRESUMABLY FRANCE) AGREEING TO THE GERMAN POSITION. KOHL WILL BE HARD TO MOVE. TELTSCHIK, WHO IS ALWAYS OPTIMISTIC ABOUT WHAT THE GERMAN POSITION WILL BE, TELLS ME KOHL COULD ACCEPT AT THE

SUMMIT A STATEMENT THAT THE NORMAL ALLIANCE COMMITTEES SHOULD CONSIDER THE QUESTION OF NEGOTIATIONS ON SNF.

OTHER TOPICS.

9. I HOPE IT MAY PROVE POSSIBLE FOR THE PRIME MINISTER AND KOHL TO DISCUSS ONE OR TWO OTHER MATTERS AS WELL AS SNF. SOUTH AFRICA IS ONE WHERE HARMONY SHOULD PREVAIL. DEALING WITH GORBACHEV WILL BE ON KOHL'S MIND. SO WILL EUROPEAN MONETARY UNION. THE INFLATION RATE IN THE FRG HAS REACHED 3 PER CENT. IN A COUNTRY ACUTELY SENSITIVE TO THE VALUE OF THE CURRENCY, THIS IS NOT A GOOD BACKGROUND FOR ANYTHING OTHER THAN A WHOLLY RESPONSIBLE HANDLING OF MONETARY POLICY. THE PRIME MINISTER SHOULD BE ABLE TO PLAY ON THIS IN ARGUING THAT IT WOULD BE RASH AND UNREASONABLE TO COMMIT OURSELVES TO MONETARY UNION BEFORE EMBARKING ON MORE MODEST STEPS. THERE ARE FURTHER COMMENTS ON THESE MATTERS IN MY TELNO 447.

MEDIA

10. NO-ONE HERE WILL BE SURPRISED IF THE PRIME MINISTER, IN TALKING TO THE PRESS, SETS OUT FIRMLY THE BRITISH POSITION ON SNF. A STATEMENT OF THE ASPECTS WHERE WE AND THE GERMANS DO AGREE, ON THE LINES OF THE ONE ISSUED AT FRANKFURT, WOULD BE HELPFUL. IF THE TALKS IDENTIFY SCOPE FOR PROGRESS TOWARDS AGREEMENT ON ASPECTS OF SNF, IT MIGHT BE AS WELL TO REVEAL THIS SO AS TO REDUCE THE RISK OF KOHL RENEGING LATER UNDER PRESSURE FROM GENSCHER. IT WILL BE IMPORTANT TO SAY THAT DISCUSSION WILL CONTINUE BETWEEN THE TWO GOVERNMENTS AND IN THE ALLIANCE ABOUT THE POSITION TO BE TAKEN AT THE SUMMIT ON SNF. IT WILL BE HELPFUL IF THE MEDIA CAN BE TOLD THAT OTHER MATTERS WERE DISCUSSED, SO AS TO SHOW THAT BRITISH-GERMAN RELATIONS GO WIDER THAN THE SINGLE ISSUE AND THAT ON MANY THINGS THERE IS AGREEMENT.

MALLABY

YYYY

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MINISTRY OF DEFENCE
MAIN BUILDING WHITEHALL LONDON SW1A 2HB
Telephone 01-218 2111/3

MO 3/20L

26 April 1989

CDM 115

Dear Charles,

LOW FLYING IN THE FEDERAL REPUBLIC OF GERMANY

Your letter of 11th April asked for advice on whether the Prime Minister should raise the subject of military low flying in the Federal Republic of Germany at her meeting with Chancellor Kohl on 30th April.

The background of our wider defence relations with the FRG has of course changed since the Defence Secretary's minute of 10th April. Stoltenberg has replaced Scholz; extension of the period of conscription has been postponed; and there are, of course, the continuing and significant developments on SNF which form the main item for the meeting with Chancellor Kohl. Although the Defence Secretary met Scholz in the margins of the Nuclear Planning Group meeting in Brussels last week, the subject of low flying was not discussed; it remains to be seen what line Stoltenberg will take on this issue.

Against this new background, the Defence Secretary still considers that it would be worthwhile for the Prime Minister to raise the subject with the Chancellor. The appointment of Stoltenberg may provide a fleeting opportunity for us to influence the FRG's approach on this matter; we understand that he is reviewing the position, and anything that the Prime Minister can do to urge upon Chancellor Kohl the need for a constructive outcome which preserves Alliance security interests would be most helpful.

The key points to put across are:

- UK recognises German political difficulties particularly in the emotional tide generated by the tragic accidents at Ramstein and Remscheid last year. But, of course, those accidents had nothing to do with low flying.

- Absolutely essential, therefore, to maintain adequate level of training for forces stationed in Germany. Credible combat-ready forces essential for deterrence and in the absence of significant progress in conventional arms control will remain so.

Charles Powell Esq
10 Downing Street

- Current level of training is far from military perfection. In war our pilots would need to fly at 100 feet and lower and considerably faster than in peace.

- Training at 250 feet is generally accepted in NATO as a reasonable compromise between adequate operational training and the need to minimise disturbance.

- Professional military advice is that effective low level flying training is not possible without a significant proportion being at 250 feet and below.

- Royal Air Force Germany already exports more than 40% of its low flying training to the UK and elsewhere.

- Current 250 feet flying by RAF units in Germany already close to irreducible minimum. Time average of 20 minutes per sortie at 250 feet and 85 sorties per pilot per year regarded as minimum for adequate in-theatre training.

- Importance attached to flying at 250 feet is reflected in structure of UK Low Flying System where maximum area is open to flying at that level; fast jet burden in UK is as great as that in FRG and includes some flying at night. This burden is absorbed not least because we present the raison d'etre positively.

- In an effort to help, comprehensive package of measures already put forward at Chief of Air Staff level.

- Should concentrate, and UK will assist wherever possible, on making the best possible presentation of these sensible measures.

- We do not think that sufficient weight has been given by German Government to the advantage that the package offers in terms of public presentation. Hope, therefore, that Stoltenberg will take a much more positive look at the advantages it offers and at how it can best be sold to public opinion.

- Joint aim should be to play matters long until current difficult period passes.

- Essential to handle matters in close consultation with other Allies. Await German thoughts on the matter.

The key element is to try and persuade the FRG Government not to rush into arbitrary reductions in flying at this stage. At present, the amount of training conducted both by ourselves and by

the USAF and Canadian Air Forces (although not by the German Air Force) can be put forward to our domestic audiences in NATO as a bare but adequate minimum. Once this point is publicly passed, it would be increasingly difficult to resist further restrictions on the amount of low flying conducted both in the FRG and elsewhere which would take us well below what is deemed militarily essential.

Kohl has already made it clear that he sees the need to reduce low flying training in Germany. The UK response has been to agree the need for a reduction of the impact of low flying training on the population, but to resist vigorously measures which would seriously impair the Alliance's fighting capabilities and which would be deemed militarily unacceptable.

The Prime Minister may wish to be aware that the Defence Secretary's discussion with Mr Cheney on this subject in the margins of last week's Nuclear Planning Group went well. Although Mr Cheney had not previously focused on the subject, the discussion brought out difficulties the US could face if it became apparent that the Germans were not prepared to do what was necessary to maintain the operational readiness of forces stationed in Europe. Mr Cheney agreed with Mr Younger's view that it was best to play the issue long if at all possible and that the UK and US should keep absolutely in step on our minimum requirements in this area.

I am sending copies of this letter to Stephen Wall (Foreign and Commonwealth Office) and to Trevor Woolley (Cabinet Office).

Yours sincerely

(B R HAWTIN)
Private Secretary

GERMANY : Relations Party

BUNDESKANZLERAMT

Horst Teltschik
Ministerialdirektor

5300 Bonn 1, den 26. April 1989
Postfach
Adenauerallee 141
Fernruf 0228/56 2200
oder 0228/561 (Vermittlung)
Telex 886750
Telefax 0228/562357

Original of attachment to record of Pri: meeting with Chancellor Kohl in Heidelberg on 30 April (item on South Africa)

Dear Charles!

Der von der "Urban Foundation" geplante Garantiefonds zur Erleichterung der Darlehensgewährung an schwarze Südafrikaner zum Erwerb von Wohneigentum entspricht in seiner Zielsetzung voll der von der Bundesregierung verfolgten Politik in Südafrika.

Es kommt darauf an, positive Signale für eine stärkere und dauerhaftere Integration der schwarzen Bevölkerung in die südafrikanische Gesellschaft zu setzen, anstatt durch Strafmaßnahmen zu einer weiteren Polarisierung beizutragen.

Die "Urban Foundation" wird von der Bundesregierung als besonders geeignete Trägerorganisation für positive Maßnahmen in diesem Sinne eingeschätzt.

Die Bundesregierung hat die Absicht, sich mit einem angemessenen Beitrag an dem Garantiefonds der "Urban Foundation" zu beteiligen. Die Finanzierungsfrage ist bereits Gegenstand der laufenden Verhandlungen über den Bundeshaushalt.

Sincerely

Horst

006657
MDADAN 6181

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CONFIDNENTIAL
FM BONN
TO DESKBY 251815Z FCO
TELNO 447
OF 251724Z APRIL 89
INFO PRIORITY UKREP BRUSSELS

MY TELNO 372: AGENDA FOR PRIME MINISTER'S MEETING WITH KOHL ON 30 APRIL.

SUMMARY

1. APART FROM SNF, THE FEDERAL CHANCELLERY EXPECT KOHL TO WANT TO FOCUS PRINCIPALLY ON THE DELORS REPORT. THEY ARE ALSO BRIEFING ON EAST/WEST (GORBACHEV VISITS, AND POLAND), SOUTHERN AFRICA, THE ECONOMIC SUMMIT, LEBANON AND EXPORT CONTROLS.

DETAIL

ECONOMIC AND MONETARY UNION.

2. KOHL HAS ALMOST CERTAINLY NOT FOCUSSED IN DETAIL ON THE DELORS REPORT. WHEN HE DOES, HE MAY SEE EMU AS A MAJOR EUROPEAN THEME AND BE ATTRACTED TO THE IDEA OF THE FRG PLAYING A LEADING ROLE. BUT HE WILL BE CONSCIOUS OF THE SENSITIVITY OF GERMANS, WITH THEIR FOLK MEMORIES OF HYPHER-INFLATION, TO ANYTHING THAT MIGHT BRING INTO QUESTION THAT CORNERSTONE OF GERMANY'S ECONOMIC MIRACLE, THE STABILITY OF THE D MARK. KOHL IS THEREFORE LIKELY TO STICK TO THE VIEW THAT THE GOAL OF EMU IS DISTANT.

3. THAT SAID, HE WILL NOT BE RIGOROUS IN IDENTIFYING THE APPROPRIATE CONCLUSIONS AND, DURING THE FRENCH PRESIDENCY ESPECIALLY, HE WILL BE TEMPTED TO TAKE HIS POLITICAL CUE FROM MITTERRAND. HE MAY WELL, FOR INSTANCE, SEE NO HARM IN A PROPOSAL TO SET UP A GROUP TO EXAMINE INSTITUTIONAL ISSUES, INCLUDING THE POSSIBILITY OF TREATY AMENDMENT. IN THE SHORT TERM, WHICH AT PRESENT IS VERY MUCH ON HIS MIND, HE MAY BE ATTRACTED TO AN OPTION WHICH PROVIDES HIM WITH THE OPPORTUNITY FOR UPLIFTING RHETORIC WITHOUT COMMITMENT ON SUBSTANCE.

4. THE CHANCELLOR OF THE EXCHEQUER'S STATEMENT OF 17 APRIL HAS ATTRACTED SOME ATTENTION HERE, THOUGH NO GREAT SURPRISE. KOHL WILL WANT TO KNOW HOW THE PRIME MINISTER SEES THE HANDLING OF THE DELORS REPORT AT THE MADRID EUROPEAN COUNCIL AND THEREAFTER. HE WILL PROBABLY BE BRIEFED TO EXPRESS THE HOPE (WIDELY HELD HERE) THAT THE UK WILL PARTICIPATE ACTIVELY IN THE DEVELOPMENT OF THE RECOMMENDATIONS MAPPED OUT IN STAGE ONE, AND WILL JOIN THE ERM

SENT

BEFORE LONG.

EAST/WEST
5. WITH GORBACHEV'S STATE VISIT TO THE FRG FROM 12-15 JUNE NOW LOOMING, KHOL WILL WANT TO HEAR AT FIRST HAND THE PRIME MINISTER'S IMPRESSIONS OF THE VISIT TO LONDON. HE ALSO REMAINS DETERMINED TO VISIT POLAND BEFORE THE END OF THE YEAR, AND WILL BE INTERESTED TO KNOW WHAT LINE THE PRIME MINISTER INTENDS TO TAKE WITH JARUZELSKI DURING THE LATTER'S VISIT TO CHEQUERS.

SOUTHERN AFRICA
6. THE FEDERAL CHANCELLERY HAVE TAKEN CAREFUL NOTE OF THE PRIME MINISTER'S VIEW, THAT THERE ARE NOW REAL PROSPECTS FOR PEACEFUL CHANGE IN SOUTH AFRICA. KOHL IS SAID TO REMAIN KEEN THAT THE FRG AND UK SHOULD WORK CLOSELY TOGETHER IN DEVELOPING A JOINT POLICY APPROPRIATE TO THE POST-PW BOTHA ERA.

PARIS ECONOMIC SUMMIT.
7. THE AUSWAERTIGES AMT HAVE RECOMMENDED THAT KOHL NEED NOT RAISE THIS, BUT THE FEDERAL CHANCELLERY BELIEVE THAT HE MAY. KOHL'S PREOCCUPATIONS AT THE ECONOMIC SUMMIT WILL BE DEBT AND THE ENVIRONMENT, INCLUDING THE LINK BETWEEN THE TWO.

LEBANON
8. KOHL MAY TOUCH ON THIS SUBJECT, OUT OF DEFERENCE TO THE IMPORTANCE MITTERRAND ATTACHES TO IT.

EXPORT CONTROLS
9. KOHL MAY WISH TO REASSURE THE PRIME MINISTER ABOUT THE SERIOUSNESS OF THE EFFORTS HIS GOVERNMENT HAS BEEN MAKING IN THE WAKE OF RABTA TO TIGHTEN UP BOTH THE ENFORCEMENT OF EXPORT CONTROLS AND THE RELEVANT LEGISLATION, PARTICULARLY IN SENSITIVE AREAS.

MALLABY

YYYY

CONFIDENTIAL

10 DOWNING STREET

LONDON SW1A 2AA

From the Private Secretary

17 April 1989

PRIME MINISTER'S VISIT TO GERMANY, 30 APRIL

Chancellor Kohl's office have agreed that we should announce the Prime Minister's visit to Germany at 1100 (UK time) on Monday 24 April. They propose a very short announcement to the effect that the Prime Minister and the Chancellor will have an informal meeting followed by a working lunch at Deidesheim in the Rhineland-Palatinate on Sunday 30 April. No mention will be made of any subsequent visits in the area.

CHARLES POWELL

Richard Gozney, Esq.,
Foreign and Commonwealth Office

CONFIDENTIAL

2814

MRS. PONSONBY cc Duty Clerk

PRIME MINISTER'S MEETING WITH CHANCELLOR KOHL ON 30 APRIL

The Prime Minister will need to leave Northolt at 0830 on Sunday 30 April for her visit to Germany, getting back to Northolt at 1900 that day.

C. D. POWELL

13 April 1989

CONFIDENTIAL

10 DOWNING STREET
LONDON SW1A 2AA

From the Private Secretary

13 April 1989

PRIME MINISTER'S MEETING WITH CHANCELLOR KOHL: 30 APRIL

Thank you for your letter of 12 April about the Prime Minister's meeting with Chancellor Kohl on Sunday 30 April. I am grateful for the arrangements proposed which are acceptable.

C. D. Powell

Richard Gozney, Esq.,
Foreign and Commonwealth Office.

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The National Archives

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10 DOWNING STREET

LONDON SW1A 2AA

From the Private Secretary

11 April 1989

PRIME MINISTER'S MEETING WITH CHANCELLOR KOHL

I have been in contact with Chancellor Kohl's office about the Prime Minister's meeting with the Chancellor on 30 April. They have proposed - and I have accepted - the following outline:

1100	Arrive US base at Ramstein Helicopter to Deidersheim
1130	Meet Chancellor Kohl at Hotel Deidersheimerhof
1130-1245	Talks
1300-1500	Working lunch
1500	Short statements to press in village square, plus two or three questions
1530-1800	Visits to a number of sights in the area, including the cathedral at Speyer. Possible walkabout
1800	Helicopter to Ramstein
1830	Departure for London

I should be grateful if you could arrange an HS 125 for the flight and let me know the appropriate timings. The Prime Minister's party will consist of me, Terry Perks (Press Officer), a Garden Room girl, plus two Special Branch Officers. I have agreed with Chancellor Kohl's office that they will provide the interpreter.

CHARLES POWELL

Richard Gozney, Esq.,
Foreign and Commonwealth Office.

SRWBXC

CONFIDENTIAL

PRIME MINISTER

VISIT TO GERMANY

Chancellor Kohl's office have now been in touch to propose the following programme for your visit to Germany on Sunday, 30 April.

1100	Arrive US airforce base at Ramstein Helicopter to the village of Deidersheim in the Palatinate, which is Chancellor Kohl's area
1130	Arrive Hotel Deidersheimhof, a small picturesque hotel
1130-1500	Talks and working lunch (only Herr Teltschik will be present on the German side)
1500	Short statements and two or three questions to the press in the village square
1530-1800	Visits to a number of sights in the area including the cathedral at Speyer (very beautiful) and a walkabout
1800	Return by helicopter to Ramstein
1830	Take off for London

Content with this progrmme?

Yes MT

C.D.P.

(C. D. POWELL)
10 April 1989

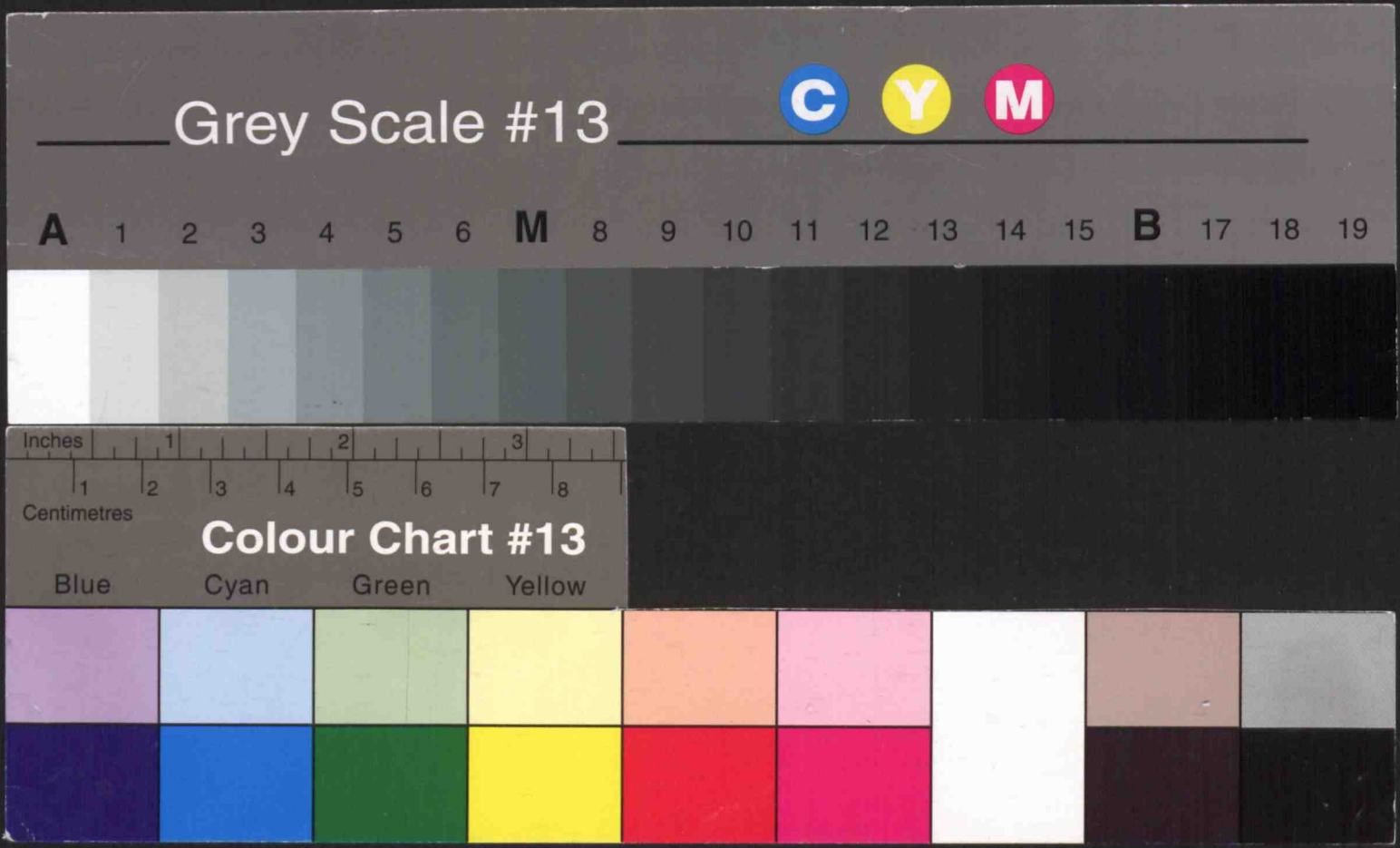
CONFIDENTIAL

PART 7 ends:-

PS-MS/MAFF to MAFF Int Circ (Meeting Record) 24.2.89

PART 8 begins:-

CJP to Pm 10.4.89


Grey Scale #13
C
Y
M
A 1 2 3 4 5 6 M 8 9 10 11 12 13 14 15 B 17 18 19
Inches 1 2 3
1 2 3 4 5 6 7 8
Centimetres
Colour Chart #13
Blue
Cyan
Green
Yellow