

OPS

Subject copy filed on Germany Itz, Visit to UK of Chanc Kohl
at Nat Ind Itz, Steel

**PRIME MINISTER'S
PERSONAL MESSAGE
SERIAL No. T196 A/82**

FLASH 201902Z OCT 82

C O N F I D E N T I A L

MESSAGE FROM THE PRIME MINISTER FOR CHANCELLOR KOHL:

DEAR CHANCELLOR,

I VERY MUCH ENJOYED OUR MEETING YESTERDAY.

AMONG OTHER MATTERS, WE DISCUSSED THE IMPORTANCE OF REACHING A SETTLEMENT ON STEEL WITH THE U.S SATISFACTORY NOT ONLY TO THE U.K INDUSTRY BUT TO THE EUROPEAN STEEL INDUSTRY AS A WHOLE. HOWEVER, I UNDERSTAND THAT THE DECISION OF YOUR CABINET TO ACCEPT THE AGREEMENT WAS MADE SUBJECT TO CERTAIN CONDITIONS ONE OF WHICH WAS THAT THE BURDEN-SHARING SHOULD BE AGREED IN EUROFER= AND THAT THE GERMAN STEEL INDUSTRY HAS NOT SO FAR NOTIFIED ITS CONSENT. I REALISE THAT YOUR INDUSTRY FACES DIFFICULTIES - INDEED SO DOES OUR OWN - IN ACCEPTING THIS SETTLEMENT. AS I WRITE I AM NOT ENTIRELY CLEAR WHAT OBSTACLES PREVENT YOUR ACCEPTANCE OF THIS PACKAGE. I FEEL SURE THEY CANNOT BE SO SERIOUS AS TO JUSTIFY THE GRAVE CONSEQUENCES - BOTH POLITICAL AND ECONOMIC - OF FAILURE TO REACH AGREEMENT WITH THE UNITED STATES.

MAY I ASK YOU URGENTLY TO USE YOUR GOOD OFFICES TO CLEAR UP THE REMAINING IMPEDIMENTS SO THAT THE AGREEMENT WITH THE U.S CAN GO AHEAD? I AM STILL ADVISED THAT THE AMERICAN DEADLINE IS 10.00 A.M WASHINGTON TIME TOMORROW, THURSDAY, 21 OCTOBER.

WITH MY WARMEST REGARDS

MARGARET THATCHER.

NNNN

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