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From the Principal Private Secretary

17 November 1980

PRIME MINISTER'S CALL ON PRESIDENT CARSTENS

The Prime Minister called upon President Carstens at 1500 today in his Office in Bonn. After a tête-à-tête conversation lasting 20 minutes, they joined their officials for a further 10 minutes. On our side Sir Oliver Wright was present.

Community Affairs

The Prime Minister said that she thought that the European Community was in fairly good shape, but of course it was facing the major problem of the restructuring of the Budget, and central to this was the question of the future of the CAP.

President Carstens said that he was very much alive to all the difficulties surrounding the CAP, not least because he had played a substantial part in the original negotiations in 1956-57 which had led to the establishment of the CAP. Then it had seemed that most of the industrial benefits from the creation of the European Community would go to Germany, and as a quid pro quo, France had insisted upon the introduction of the CAP. There were of course no surpluses then and the policy had seemed a sensible one. But it had since developed in a direction which could no longer be continued. The problem was how it should be changed.

He added that he fully supported the accession of Spain and Portugal. It would be politically wrong to exclude them, though their membership would pose another set of financial problems.

The Prime Minister said that she too was in favour of Spain and Portugal joining the Community. Membership would help to keep them within the democratic framework.

Poland

The Prime Minister said that recent developments in Poland were clearly incompatible with the existence of a Communist regime. But it was impossible to say this in public for fear that it might provoke Soviet intervention or make life more difficult for other East European countries. She wondered what the effect of Polish developments had been on East Germany.

/ President Carstens

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President Carstens said that he thought the recent measures which East Germany had taken to restrict contact with the FRG had been a direct result of developments in Poland. In 1979 8 million West Germans had visited East Germany, and the East German Government was plainly frightened of the effect of such extensive contact on their people. Now they seemed to want to isolate themselves once more from the Federal Republic.

There was one positive element in the present situation in Poland. The Communist Party, the free trade unions and the Catholic Church all had one common interest: they did not want the Soviet Union to intervene. Even Mr. Kania took that view. This united them and explained the compromise which had been reached between the Government and the trade unions. But the battle was not yet over. The Communist Party would try and regain the ground it had lost but it would not do so in such a way that would provoke a situation which might lead to Soviet intervention.

The Prime Minister said that she doubted whether the Polish Government could do much to reverse the situation. The changes in Poland had come from outside the Government, unlike those in Czechoslovakia in 1968, and were much more profound and long-lasting for that reason.

The Pope's Visit to Germany

President Carstens said that he had found the Pope a most impressive man. He had tried to impress upon him that the stability of the FRG depended on peace and cooperation between the Protestant and Catholic communities. One of Chancellor Adenauer's greatest achievements had been to bring both groups together in one political party. But in the last few months some of the old animosities had reappeared. Just before the Pope's arrival the Catholic Church had published a history of the Church in Germany which had said some astonishingly insensitive things about Luther. The Protestants had reacted by saying that their representatives would not meet the Pope during his visit. But he had made friendly overtures on arrival and, as a result, he was in fact seeing Protestant leaders that day.

I am sending a copy of this letter to David Wright (Cabinet Office).

G. A. WHITMORE

George Walden, Esq.,
Foreign and Commonwealth Office.