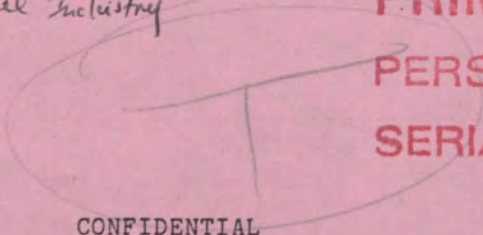


SUBJECT
de Mordé
STP

copied to select Ind Pt 11
Steel Industry

Germany

PRIME MINISTER'S
PERSONAL MESSAGE
SERIAL No. T 196A/82



CONFIDENTIAL

30716 - 1

GRS 236
[FRAME EXTERNAL
FRAME INDUSTRIAL]
CONFIDENTIAL

FM FCO 202100Z OCT 82
IMMEDIATE BONN
TELEGRAM NUMBER 460 OF 20 OCTOBER
INFO IMMEDIATE UKREP BRUSSELS, WASHINGTON

EC/US STEEL

1. FOR YOUR INFORMATION, THE FOLLOWING MESSAGE HAS BEEN SENT TODAY WEDNESDAY 20 OCTOBER FROM THE PRIME MINISTER TO CHANCELLOR KOHL.

2. BEGINS DEAR CHANCELLOR, I VERY MUCH ENJOYED OUR MEETING YESTERDAY. AMONG OTHER MATTERS, WE DISCUSSED THE IMPORTANCE OF REACHING A SETTLEMENT ON STEEL WITH THE US SATISFACTORY NOT ONLY TO THE UK INDUSTRY BUT TO THE EUROPEAN STEEL INDUSTRY AS A WHOLE. HOWEVER I UNDERSTAND THAT THE DECISION OF YHOUR 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.

3 MAY I ASK YOU URGENTLY TO USE YOUR GOOD OFFICES TO CLEAR UP THE REMAINING IMPEDIMENTS SO THAT THE AGREEMENT WITH THE US CAN GO AHEAD ? I HAM STILL ADVISED THAT THE US DEADLINE IS 10 AM WASHINGTON TIME TOMORROW THURSDAY 21 OCTOBER. WITH WARMEST REGARDS. MARGARET THATCHER.

MESSAGE ENDS.

PYM
FRAME EXTERNAL
FRAME INDUSTRIAL
ECD (E)

COPIES SENT TO
No. 10 DOWNING STREET

1
CONFIDENTIAL

MESSAGE FROM THE PRIME MINISTER TO CHANCELLOR KOHL

Sec. Feo
Ind
Trade.

Dear Chancellor,

I very much enjoyed our meeting yesterday.

Among other matters, we discussed the importance of reaching a settlement on steel with the US satisfactory not only to the UK 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 US 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

A.S.C. 20/10

T 200/82

Botschaft
der Bundesrepublik Deutschland
Embassy
of the Federal Republic of Germany

London, 28th October, 1982

Jürgen von Alten
Chargé d'Affaires a. i.

Dear Prime Minister,

I have the honour to transmit to you the enclosed telegramme from Federal Chancellor Herr Helmut Kohl.

A courtesy translation is attached.

I am, dear Prime Minister,

Yours sincerely

Jürgen Alten

The Rt. Hon. Margaret Thatcher, MP
Her Majesty's Prime Minister and
First Lord of the Treasury
L o n d o n

SUBJECT

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Copy filed on
NUT Ind 1411
Steel

Telegramme

T 200/82
PRIME MINISTER'S
Courtesy translation

PERSONAL MESSAGE

SERIAL No.

T 200/82

from Herr Helmut Kohl, Chancellor of the Federal Republic
of Germany

to

The Rt. Hon. Margaret Thatcher, MP, Prime Minister

Bonn, 27th October, 1982

Dear Prime Minister,

Thank you very much indeed for the most amicable welcome
you gave me on October 19th.

In the meantime, I am happy to be in a position to be able
to say that the agreement on steel exports between the EC
and the US has brought a solution to a problem which was
very crucial for all those involved.

You will have heard that the Federal Government has given
its approval to the steel agreement with the US once the
Commission of the EC had agreed to some special clauses resp.
interpretations which seemed essential to us. I am very glad
about this development which gives evidence of our readiness
and our ability for solidarity with our partners in the EC,
and is a first step towards an improvement of our trade
relations with the US. Other steps will have to follow.

However, having finally come to a solution in this matter,
we should certainly not forget the reasons for such an
agreement on self-restraint. We will have to continue to make
all possible efforts in order to stop this expensive and
nonsensical race in subsidizing within the EC, and to strive
for a situation which again allows a steel trade free of
dirigistic measures.

I am very much looking forward to seeing you at our
forthcoming consultations.

Yours sincerely,

Helmut Kohl

T 200/82

T e l e g r a m m

von Herrn Helmut Kohl, Bundeskanzler der Bundesrepublik Deutschland

an

The Rt. Hon. Margaret Thatcher, MP,
Prime Minister

Bonn, 27. Oktober 1982

Sehr geehrte Frau Premierminister,

ich danke Ihnen für den sehr freundschaftlichen Empfang am 19. dieses Monats.

Inzwischen bin ich in der glücklichen Lage, darauf hinweisen zu können, dass mit der Einigung über das Stahlabkommen zwischen der Europäischen Gemeinschaft und den Vereinigten Staaten ein für alle Beteiligten schwieriges Problem bereinigt werden konnte.

Sie werden erfahren haben, dass die Bundesregierung dem Stahlabkommen mit den USA zugestimmt hat, nachdem die Kommission einige Zusagen bzw. Erläuterungen geben konnte, die uns wichtig erschienen. Ich bin glücklich über diese Entwicklung. Sie zeigt unsere Bereitschaft und Fähigkeit zur Solidarität mit unseren Partnern in der EG und stellt einen ersten Schritt zur Verbesserung unserer handelspolitischen Beziehungen mit den USA dar. Weitere müssen folgen.

Über der Einigung sollten wir aber auf keinen Fall die Ursachen für dieses Selbstbeschränkungsabkommen vergessen. Wir müssen weiter alle Anstrengungen unternehmen, um den teuren und volkswirtschaftlich unsinnigen Subventionswettbewerb in der EG zu beenden und einen Zustand zu erreichen, der wieder einen von Staatseingriffen freien Stahlhandel erlaubt.

Ich freue mich auf das Treffen mit Ihnen anlässlich der bevorstehenden Konsultationen.

Mit freundlichen Grüßen

Ihr

Helmut Kohl

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MESSAGE FROM THE PRIME MINISTER TO CHANCELLOR KOHL

Sec. Feo
Ind
Trade.

Dear Chancellor,

I very much enjoyed our meeting yesterday.

Among other matters, we discussed the importance of reaching a settlement on steel with the US satisfactory not only to the UK 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 US 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

A.S.C. 20/10

DRAFT MESSAGE FROM PRIME MINISTER TO CHANCELLOR KOHL

Dear Chancellor,

I very much enjoyed our meeting yesterday.

Among other matters, we

Yesterday, I discussed with you the importance of reaching a settlement on steel with the US satisfactory not only to the UK industry but to the European steel industry as a whole. [↑] It was

with real regret that I learned earlier today of the decision of your Cabinet. I understand that your industry faces ^{real} real

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}

Dear Mr. Kohl, the remaining negotiations

May I ask you urgently to use your good offices to ^{allow the} ~~allow the~~ Settlement with the US to go ahead? ~~If necessary, I should be~~ happy to speak with you by telephone later this evening.

I am still advised that the American deadline is 10 a.m. Washington time tomorrow, Tuesday, 21 October.

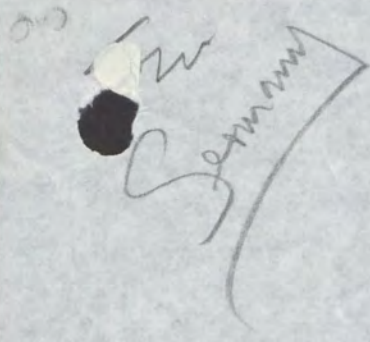
With my warm regards. Respectfully,

Sincerely,

M. Thatcher
2 P.
to

I understand that US was sent

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 border-slavery should be agreed in Europe; and that the former ~~is~~ steel industry has not so far notified its consent.



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19 OCTOBER 1982

DEAR PRIME MINISTER

THE NORTHERN IRELAND COMMITTEE OF THE IRISH CONGRESS OF TRADE UNIONS HAS NOTED FROM PRESS REPORTS THAT YOU WILL LATER TODAY MEET MR HELMUT KOHL. WHILE MUCH OF YOUR DISCUSSIONS WILL INEVITABLY CONCENTRATE ON MATTERS OF MAJOR INTERNATIONAL CONCERN WE WOULD BE GRATEFUL IF YOU COULD RAISE WITH HIM IN THE CONTEXT OF EC MATTERS THE GERMAN GOVERNMENT'S ATTITUDE TOWARDS THE PROPOSED EC AID FOR HOUSING IN BELFAST.

T CARLIN
NI OFFICER
IRISH CONGRESS OF TRADE UNIONS

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TRANSCRIPT OF STATEMENTS MADE BY THE PRIME MINISTER,
THE RT. HON. MARGARET THATCHER MP AND DR. HELMUT
KOHL, CHANCELLOR OF THE FEDERAL REPUBLIC OF GERMANY
FOLLOWING TALKS AT 10 DOWNING STREET ON THE EVENING
OF TUESDAY, 19 OCTOBER 1982.

PRESS OFFICE
10, DOWNING STREET
TEL: 01-930 4433

PRIME MINISTER

Ladies and Gentlemen,

We welcome Chancellor Kohl this evening. We are very pleased that he has been able to come so soon after he has taken up office in the Federal Republic of Germany.

We have had very fruitful discussions. If I might put it this way, I think it was a true meeting of minds. It is not the first time that Herr Kohl has been to No. 10 Downing Street; he was with us much earlier in the year, in January, and we know full well one another's views on how to tackle the great problems that face both Germany and Great Britain. We are both affected by a world recession and we both have very similar ideas about how we should approach that recession to overcome it.

Naturally, we have also talked in the wider sphere very much about things which affect us both in the European Community. We did, of course, discuss the question of steel for which this week is so important, because as you know, certain decisions have to be made on Thursday, unless the United States is to put countervailing duties upon our steel exports. There is a very important cabinet meeting in

Germany tomorrow, to decide whether Germany will join with the rest of Europe in agreeing to limit our exports to the United States in order to prevent action from the United States against our steel exports.

We had a preliminary discussion on the Budget, but we shall take that up in more detail in Bonn when we meet next week.

We had a much wider discussion about East-West relations, in particular the situation in Poland, in the whole context of the relationship between the Soviet Bloc and the Western Alliance. We are both staunch members of the Western Alliance and whatever problems there may be between the members of that Alliance they are small compared with the interests that unite us.

This has been a very fruitful exchange. It is vital that the Federal Republic of Germany and ourselves stick together, both in the European Community and in NATO - vital for the future not only of our two countries, but the future of the free world.

I shall be going to Bonn on October 28th, for our customary bilateral consultations and we shall discuss the matters in very much more detail then.

I now have great pleasure in asking Chancellor Kohl to speak to you.

CHANCELLOR KOHL (in German - translation by Interpreter)

Prime Minister, Ladies and Gentlemen,

Together with my Colleague, Minister Hans Dietrich Genscher, I have come here today with great pleasure a very few days after my election to the office of Federal Chancellor for first talks in this new office of mine and to discuss with you problems which we have jointly together.

Of course, today's meeting has been because of the shortness of time which we have available, a preparation for meeting which will take place in Bonn between the two of us next week.

I am grateful, Madam, that you are coming not only to what has been called the Anglo-German Summit in Bonn, but that you are also going to visit Berlin together with me, to show the understanding which you feel for the situation of my divided country.

Fortunately, the bilateral problems which we have discussed and which exist are very small. We both feel ourselves responsible for the development in Europe and throughout the world and we want, as we have discussed today, to do all we can to further the Alliance, which is for both of us the very basis of our policies. It is very important that we should stand together in Europe and I consider that NATO is the European end of the Atlantic bridge and I agree, Prime Minister, when you say that any differences that may exist between Europe and the United States weigh little against the joint tasks which we have in the Alliance.

There are very many important discussions going on at this moment throughout the world and we stand, both of us, in favour of and strongly want to have and see progress made in the field of disarmament and controlled disarmament throughout the world and we want to see CSCE negotiations continued and lead to success and for that success then to be honoured.

Of course, today we also spoke about Poland and we are aware, both of us, of the joint responsibility that we feel for European solidarity as a whole.

And then, there is the European Community. Of course, in a Community such as that, certain differences of interest do arise. Well, I can tell you that I am of a new generation. I am the first Federal Chancellor who is a child of the post-war generation, who in the years after the war fought passionately for the creation of a United Europe and I will do what is in my power to make sure that we will move forward to the unification of Europe in the course of this decade.

PRIME MINISTER

Until next week in Bonn and Berlin. Thank you very much for coming. Much appreciated and greatly enjoyed it. It has been very fruitful. Thank you. Goodbye.
