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CABINET OFFICE

With the compliments of  
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CONFIDENTIAL AND PERSONAL

NOTE FOR RECORD

During the Prime Minister's visit to Bonn on 28th-29th October, I had two opportunities for discussions with the new State Secretary in the Bundeskanzleramt, Herr Waldemer Schreckenberger. We covered the following topics.

Economic Summit 1983

2. Herr Schreckenberger said that the Federal Chancellor had not yet nominated his Personal Representative for the purpose of preparing Economic Summits. I urged upon him the importance of choosing as the Chancellor's Personal Representative somebody who would be so in a real sense. We had encountered some difficulties in the last two years because the Personal Representative of the President of the United States had been somebody in the State Department who was not in fact close to the White House or to the President himself. Herr Schreckenberger asked how I came to be the Prime Minister's Personal Representative and how I fitted it in with my other duties. I said that my predecessor had been chosen for this role, and when I took over Mrs. Thatcher had asked me to continue. It represented a significant commitment in terms of time and travel; but, if the Prime Minister asked you to take on something, you took it on and did it to the best of your ability.

3. Herr Schreckenberger said that, when President Mitterrand visited Bonn, he and the Federal Chancellor had discussed the dates for the next Economic Summit. President Mitterrand was clearly angry about the way in which this had been handled, with virtually no prior consultation, and not even the courtesy of a message from the President himself. It was still not clear that the President would attend the Summit on 28th - 30th May, 1983.

4. Herr Schreckenberger asked for our views on the style, format and preparation of Summits. I spoke to the brief (approved by the Prime Minister) which had been prepared for my recent meeting with Mr. Allen Wallis. Herr Schreckenberger commented that that made three Heads of Government who apparently shared broadly similar views on these matters: the President of the United States, the French President and the British Prime Minister.

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European Community Budget

5. The subject was raised by Herr Schreckenberger. I rehearsed the British arguments for a durable solution to the problem of our net contribution. I said that the British Government was firmly committed to membership of the European Community, but the disproportionate size of our net contribution remained a stumbling block for British public opinion. I reminded him of the Community's commitment to find solutions for unacceptable situations. I said that this was not just a matter of the perception of the Community in the United Kingdom, but also of the fundamental health and welfare of the Community: the cohesion of the Community and its ability to develop on the lines envisaged by Herr Genscher and Signor Colombo depended on the elimination and avoidance of strains of this kind within the Community. We should like to put this matter behind us all, so that the United Kingdom could contribute unreservedly to the development of the European Community.

6. Herr Schreckenberger asked about the minimum political requirement for an interim solution, if a permanent solution was not attainable in time. I said that we needed a solution which covered at least three years. I suggested that one possibility might be to repeat the pattern of the 30th May 1980 package for a further three years, with a similar risk-sharing formula. I indicated that some further modest adjustment in respect of the "trop payé" might be possible to envisage in the context of a solution that was in other respects acceptable. I emphasised that we saw ourselves as having a common interest with Germany, the other net contributor, in setting limits to agricultural expenditure and in seeking to limit our liability to contribute.

7. Herr Schreckenberger said that this subject had been briefly discussed when President Mitterrand came to Bonn. President Mitterrand had talked in terms of a solution which was limited in time and digressive. The new Federal Government would want to limit its contributions to the same extent as its predecessor.

CONFIDENTIAL AND PERSONAL

Fisheries

7. I stressed the importance of an agreement, and said that I knew that the Prime Minister very much hoped that the Federal Chancellor would join her in bringing pressure to bear on the Danish Government to get into line. Herr Schreckenberger took note. He said that the agreement was not really good enough for the Germans: the ship-building and fishing industries in Northern Germany were in a very bad way, and the agreement would not do much to help them.

Overseas Development and Global Negotiations

8. Herr Schreckenberger asked about the position of the British Government on these matters. On global negotiations I said that we were prepared to go along with the formulation agreed at Versailles, and did not want to see any further changes to it. The amount which we could afford by way of official development assistance was limited, and our priorities were to concentrate on the poorest and least developed countries and on assistance for indigenous energy and food production.

German Political and Economic Situation

9. Herr Schreckenberger talked a certain amount about this, but said nothing that added anything to what German Ministers said during the course of the bilateral discussions.

REA

ROBERT ARMSTRONG

2nd November 1982

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