

BACKGROUND OF BRIEFING ON BILATERALS: 1230 HOURS: 4 FEBRUARY 1983

The Prime Minister and Chancellor Kohl held a one and a quarter hour tete a tete meeting at Chequers in which they discussed two main subjects. First, was the INF talks and the stationing in Europe of Cruise and Pershing missiles, and secondly the world economic situation.

There was a very good atmosphere and some thorough and really useful talks, demonstrating the value of these close bilateral consultations.

Chancellor Kohl briefed the Prime Minister on his recent conversations with Vice-President Bush, the earlier visit of Gromyko to Bonn and his talks with President Mitterrand at the marking of the 20th Anniversary of the Franco-German Treaty.

The two leaders compared notes on all aspects of the disarmament/arms reduction negotiations and found a complete identity of views which we expect will be reflected in the press conference. Turning to the world economic situation they discussed the prospects for economic recovery and in particular the dangers posed by protectionism. In that context, they discussed trade with Japan; ~~the particular problem that Spain presents - and on that the Prime Minister emphasised the need to resolve it soon;~~ and the desirability of working to remove the differences between the United States and the Community on agriculture.

The Prime Minister and Chancellor Kohl both underlined the importance of the Williamsburg Economic Summit and agreed over the coming weeks that our two countries would closely consult on our positions.

At 1215 the Prime Minister and Chancellor Kohl were joined by the two Foreign Secretaries, Mr. Pym and Herr Genscher when they turned to Community matters.



Earlier Mr. Pym and Herr Genscher had held separate discussions covering much the same field as their principals.

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CONFIDENTIAL

4 February 1983