

PRIME MINISTER

CHANCELLOR KOHL

He would like to ring you at noon on Monday. May we confirm that you will take the call?

Yes

I attach a speaking note prepared by the Foreign and Commonwealth Office.

Kohl will see Mitterrand later on Monday.

Sir Jock Taylor has been told, and Kohl's office have told us separately, that it is totally untrue that the Chancellor does not understand the reasons for your problems over Stuttgart. Nor does he in the least criticise your choice of dates for the election.

(attached) The reason why he was not able to receive our Ambassador personally was that he was in his constituency yesterday and is on a private visit outside Bonn all day today. But the message you sent to him yesterday about the budget problem has been passed on to him.

We know that Genscher has been recommending postponement of Stuttgart, but there is no evidence that Kohl is disposed to agree. We have been told that he will take no decision until he has been able to ^{speak} ~~separately~~ with you. I think we need to maintain pressure on him to try to produce a budget solution this month and therefore consider that the line in the attached note is right.

We shall let you know on Monday morning what happened at the meeting of EC Foreign Ministers over the weekend.

A.J.C.

13 May 1983

POINTS FOR PRIME MINISTER TO MAKE TO CHANCELLOR KOHL ON 16 MAY

Attendance

1. Regret still not able to give you a firm answer. Depends on election campaign. Progress at May Council on budget also important: could hardly attend two days before election and come back empty-handed.

Interim Solution

2. Understand you will be seeing President Mitterrand shortly. Hope you will be able to persuade him of real need for a fair solution to be agreed at the May Council. French seem to be taking very hard line on interim solution but hope you can persuade him that a solution would be not only in our interest but that of the Community as a whole. We are doing our best to be helpful to the French both over their request for a loan of 4 billion ecu and, over the monetary arrangements to sort out their problem over your MCA.

3. As regards the solution to be agreed, I explained our position in the message I sent you at the end of last week about our plans for Gymnich. Key point which I hope you can persuade President Mitterrand to accept is that solution must be based on two-thirds formula which was basis of 30 May Agreement. Could not reasonably accept less.

4. [If raised] Can confirm that we would be willing to negotiate deduction from our basic refund in final settlement of alleged over-payment in 1980/81.

Reform of Community Financing

5. Like you we very much want to make progress on the longer term and should aim at decisions by the end of the year. But you and we should stand absolutely firm in face of arguments of those who wish to increase own resources but are unwilling to agree either to control agricultural expenditure or to deal with the problem of budget imbalances.

Postponement of Stuttgart [If raised]

6. This is of course for you to decide but I should make it clear that we are not asking for postponement and I would not want to encourage you in any way to do so.

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