

CB BONN/FCO

02/17

Exposed to ...
1719
To Andy
telete

Prime Minister
for info.

DA. 17/

OO FCO

OO THE HAGUE

CRS 600

CONFIDENTIAL

DESKBY 181200Z

FM BONN 171030Z SEP 83

TO IMMEDIATE FCO

TELEGRAM NUMBER 850 OF 17 SEPTEMBER

INFO IMMEDIATE THE HAGUE

IMMEDIATE

ADVANCE COPY

12

[FCO / with ...]
NO 10 DOWNING

RC

WES / HD

PS / re L. Toub

PS / re with ...

MAS 23

PS (6)

PS / us

PRIME MINISTER'S MEETING WITH KOHL: 21 SEPTEMBER

1. I THINK THE **PRIME MINISTER** WILL FIND THE CHANCELLOR **IN** GOOD FORM AND ON MOST THINGS **OPTIMISTIC**. THE ASSESSMENT OF THE POLITICAL SCENE **IN** MY TELNO 810 OF 7 SEPTEMBER STILL HOLDS GOOD GENERALLY. DEVELOPMENTS SINCE THEN HAVE MOSTLY BEEN **IN** KOHL'S FAVOUR. THE MEDIA **CRITICISM** OF **HIM** FOR LACK OF **FIRM** LEADERSHIP HAS DIED AWAY. ALTHOUGH THE PROSPECTS FOR THE ECONOMY REMAIN MIXED, RECENT INDICATORS CONFIRM THAT REAL GROWTH HAS DEFINITELY RESUMED (THOUGH THE FUTURE REMAINS UNCERTAIN) AND LAST WEEK'S BUDGET DEBATE **IN** THE BUNDESTAG WENT VERY WELL FOR THE GOVERNMENT. STRAUSS'S EFFORTS TO DRAW ATTENTION TO HIMSELF, **IN** THE HOPE OF ONE DAY SUCCEEDING GENSCHER, HAVE RECENTLY BEEN LESS ACTIVE; AND THERE ARE SIGNS THAT HIS OWN SUPPORTERS, ESPECIALLY **IN** THE BUNDESTAG, ARE BECOMING **IMPATIENT** WITH HIS ANTICS.

2. THE CHANCELLOR WILL HAVE THE **REGIONAL** ELECTIONS OF HESSE AND BREMEN ON 25 SEPTEMBER VERY MUCH **IN** MIND. WHAT MATTERS THERE IS NOT SO MUCH THE FORTUNES OF THE TWO **BIG PARTIES** AS THOSE OF THE FDP. **IF** THEY **JUST GET INTO BOTH REGIONAL** PARLIAMENTS, THE COALITION WILL RECEIVE A SHOT **ON** THE ARM. BUT **IF** THEY DO BADLY, WHICH SEEMS MORE **LIKELY**, STRAUSS'S ATTEMPTS TO DISCREDIT GENSCHER WILL INTENSIFY AND OPPOSITION TO THE LATTER WILL **REVIVE WITHIN** THE FDP. **IN** THOSE CIRCUMSTANCES, KOHL WILL STILL WANT GENSCHER TO REMAIN FDP LEADER AND FOREIGN MINISTER. HE WOULD PROBABLY GET HIS WAY BUT

WOULD HAVE TO ASSERT HIMSELF AGAINST STRAUSS AND OTHERS TO ACHIEVE THIS.

3. THE PRIME MINISTER WILL NO DOUBT WANT TO TELL KOHL HER IMPRESSIONS OF HER VISIT TO BRITISH FORCES GERMANY. BUT THE MAIN SUBJECTS OF DISCUSSION WILL BE INF AND THE COMMUNITY. ON THE FORMER, KOHL MUST HAVE DOUBTS ABOUT GENSCHER'S INTERPRETATION OF GROMYKO'S ALLEGED HINTS IN MADRID ABOUT FLEXIBILITY OVER THIRD COUNTRY SYSTEMS; BUT HE WILL NO DOUBT URGE ON THE PRIME MINISTER THE GERMAN HOPE THAT HMG WILL GO AS FAR AS POSSIBLE IN PUBLIC ON THE QUESTION OF INCLUDING BRITISH NUCLEAR WEAPONS IN ARMS CONTROL NEGOTIATIONS AT SOME STAGE. MEANWHILE, THE EXPECTED HOT AUTUMN OF DEMONSTRATIONS AGAINST INF HAS NOT YET GOT GOING IN GERMANY. THE KOREAN AIRLINES ATROCITY MAY TEMPORARILY HAVE REMINDED WEST GERMAN OPINION OF THE NATURE OF THE SOVIET UNION. KOHL IS SAID TO BE OPTIMISTIC THAT INF ONCE DEPLOYED WILL GO AWAY AS A POLITICAL PROBLEM. BUT THE BEST FORECAST FOR THE COMING WEEKS REMAINS THAT THERE WILL BE VERY LARGE DEMONSTRATIONS AGAINST INF STATIONING AND SOME VIOLENT INCIDENTS. THE NUMBER OF THESE INCIDENTS CANNOT BE PREDICTED; BUT MAY WELL BE SUFFICIENT TO DOMINATE THE MEDIA FOR MUCH OF THE PERIOD BUT NOT NEARLY ENOUGH TO AMOUNT TO A GENERALISED THREAT TO PUBLIC ORDER.

4. IN THE DISCUSSION OF THE EC, I RECOMMEND THAT THE PRIME MINISTER SHOULD CONCENTRATE ON THE GREAT NEGOTIATION, TAKING ACCOUNT OF THE COUNCIL DISCUSSIONS IN BRUSSELS BETWEEN NOW AND 21 SEPTEMBER. DESPITE THE MAJOR INTERESTS WHICH BRITAIN AND GERMANY SHARE AS NET CONTRIBUTORS, THERE IS A DISAPPOINTINGLY WIDE GAP BETWEEN OUR RESPECTIVE APPROACHES TO THE GREAT NEGOTIATION ON AGRICULTURE. IT IS CLEAR THAT THE GERMANS WOULD SETTLE FOR A MUCH LESS RIGOROUS SOLUTION THAN WE PROPOSE; AND EVEN ON THE SAFETY NET THEY HAVE DEVELOPED IDEAS WHICH ARE WEAKER THAN OUR OWN. AS USUAL THEY ARE GREATLY INFLUENCED BY THE AUSWAERTIGES AMT'S CAUTIOUS ASSESSMENT OF WHAT IS NEGOTIABLE. IT WILL BE IMPORTANT TO PERSUADE KOHL OF THE EXTREME IMPORTANCE OF GRASPING THIS OPPORTUNITY FOR LASTING CHANGE, OF THE FLEXIBILITY OF OUR COMMON OBJECTIVES AND OF THE VITAL TACTICAL IMPORTANCE OF PRESENTING A FIRM POINT. THE PRIME MINISTER WILL NO DOUBT WISH TO RAISE THE QUESTION OF OUR 1983 REFUNDS AS AGREED AT STUTTGART BUT I DOUBT WHETHER RAISING THE 1982 RISK SHARING PROBLEM WOULD BE PRODUCTIVE.

TAYLOR