

PRIME MINISTER

PRESS CONFERENCE

You are to give a joint press conference with Chancellor Kohl at noon today and you have plenty of time for it. You are not scheduled to leave for Sankt Augustin until 1.00pm.

At the time of writing, there is nothing to change my advice not to give separate radio and tv interviews. The Dām affair seems to have calmed down.

Since you are not doing radio and tv, I suggest that when you get British questions, and especially from radio and tv, you give as crisp an answer as possible, consistent with proper explanation.

Media Concerns

There are 4 major areas of interest:

- 1 Middle East and Lebanon; —
- 2 INF deployment;
- 3 State of Euro/American, and especially Anglo-American relations after Grenada;
- 4 European Community (which they know you are dealing with today).

The main questions arising in the minds of journalists are:

Middle East and Lebanon

- Are the Americans planning retaliation? Why have they such a large fleet in the area?
- Have you asked Chancellor Kohl to join with you in appealing to Reagan for restraint? (As the London Evening Standard said you would). If so, what was his answer? Any joint action?
- What will you do if there is a retaliatory strike? Pull out of MNF?
- How do you view closer American co-operation with Israel reported today?

This cluster of concerns will give you a further opportunity to present the arguments against revenge but for self-defence. But it is important to keep the temperature down. Yesterday's effort appears to have been successful.

INF Deployment

You will be taking the initiative on this and, subject to events, you may wish to put most emphasis on this in your remarks. It is very important to show resolve.

Questions arising:

- Are the Americans planning a new initiative at Geneva? Answer
Ask the American
- What are the prospects for settlement/movement at Geneva? (I have repeated in briefing your view that the chances now of zero option are negligible).
- How has Grenada made your (British/German) life difficult on deployment?
- Given the Daily Mail opinion poll today showing a huge (94%) majority in favour of dual-key, won't you eventually be driven to acquiring it?
- What response to Ceaucescu letter and what do you think lies behind it? See Annex III.
- Is Andropov in charge or passing peacefully to his end?

Transatlantic Relations

The questions are at two levels:

- 1 To make mischief - to provide weft with which to weave stories of deepening/widening splits;
- 2 Genuinely deep concern about recent events, and their possible repetition (over the Middle East and arms for Argentina); and what Britain/Germany/Europe is going to do about it? Demand closer consultation? More Summitry? Greater Euro dimension to consultation?

I think it is very important you play down references to Grenada, which is becoming symbolic of rift, and look to the future. I believe the media are looking for re-assurance because they think their readers want it. A news story would be any move to seek more trans-Atlantic Summitry to complement the already extensive bilateralism and Summitry in Europe.

European Community

The media are beginning to smell blood at Athens, especially after yesterday's paper from the Commission suggesting our real EC Budget bill may be less than half the sum we have been claiming. They will be looking to you for strong comment on this to feed their prejudices.

I believe the best tactic would be to brush the Commission's paper aside as a phoney and unacceptable exercise; to express a quiet determination and resolve to get the Community's finances on a fairer basis in the interests of the Community; and generally to present a picture of iron British resolve and determination to set up a square deal in Athens.

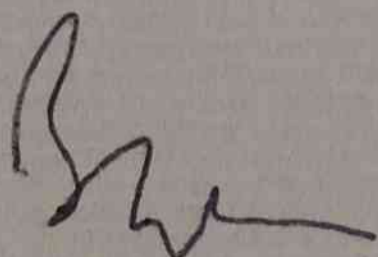
Questions arising, apart from the Commission paper:

- 1 Any progress in Bonn; are you and Germans allies, and what are your differences?
- 2 What are prospects for breaking the back of the negotiations in Athens - better now, as a result of this Summit, or worse?
- 3 Isn't it all really a worse mess with no prospect whatsoever of a solution this year or next?

Other Points

You can present this bilateral as hard-working and covering a very wide field of mutual interests. There will be little interest in matters outside the 4 main concerns rehearsed above, but it does no harm to show Britain and Germany working extensively and well together.

I attach an aide memoire for the press conference (Annex I); Reagan's useful quote on retaliation (Annex II); and FCO notes on EuroCommission paper and Ceaucescu (Annex III).



B. INGHAM

9 November 1983

ANGLO-GERMAN BILATERAL PRESS CONFERENCE

AIDE MEMOIRE

1. Important bilateral coming as it does with Middle East in turmoil, INF and disarmament negotiations at an important stage, and before Euro Council in Athens.
2. Had most valuable exchange both at Head of Government level and across a number of Departments. 5 British Ministers taking part apart from yourself - Howe, Lawson, Heseltine, Tebbit, MacGregor.
3. Close accord on a lot of issues.
4. Main topics discussed with Chancellor Kohl:

Middle East - deep concern about turmoil and agreement we must not be deflected from doing what we can to promote reconciliation in Lebanon;

Western Alliance - important after Grenada to look to the future and strengthen co-operation;

East-West relations; INF (your remarks on INF and British and French deterrents - see Annex Ia and Ib);

European Community - Iron resolve to get a fairer, squarer deal in interests not merely of Britain but of Community - and on a basis of fair, not phoney, counting of the cost. We both want a cost-conscious Community, with a proper Common Market for goods and services, free from protectionism. And on the budget we both want a lasting remedy based on fair measurement of the problem and operating on the revenue side.

5. Then this afternoon, while Foreign Secretary on way to Athens for Special Council preparatory to Euro Council, you will pay short visit to Sankt Augustin (Owgoosteen) which is twinned with your home town of Grantham to meet Mayor and visit Konrad Adenauer Foundation and Children's hospital.
6. Looking forward to visit, fortified by value of discussions here in Bonn.



The Governments of the Federal Republic of Germany
and of the United Kingdom agreed that:-

- they would work for an agreement at the European Council in Athens in December on the negotiations launched at Stuttgart and that, in line with the Stuttgart Declaration this agreement would need to deal specifically with each of the issues covered in the negotiations
- they would require an equitable limit on this financial burdens, taking account of their relative wealth
- they would together seek by appropriate means effective control of the rate of increase of agricultural and other spending
- they wished to see the conditions fulfilled for completion of the accession negotiations with Spain and Portugal, with a view to their membership of the Community no later than

1 January 1986

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DRAFT JOINT STATEMENT BY THE PRIME MINISTER AND
CHANCELLOR KOHL: 9 NOVEMBER: INF

We discussed the issue of intermediate-range nuclear forces. We reaffirmed our support for NATO's 1979 Dual Track decision. Our Governments will proceed with the arrangements enabling the first deployment of Pershing II and Cruise missiles in the Federal Republic of Germany and Great Britain by the end of 1983. We shall as always continue the search in Geneva for an agreement which will make the deployments unnecessary.

If such an agreement is not possible before the end of 1983, and the first deployments are thus necessary, this should not in our view signal the end of negotiations but rather the moment to redouble our efforts towards achieving the arms control agreement which the peoples of the NATO countries so much desire. The deployments in the Federal Republic of Germany and Great Britain are planned to spread over five years. They can be halted or reversed as soon as progress in Geneva warrants it.

Our two Governments would greatly regret any decision by the Soviet Union to break off the negotiations in Geneva. This would be unjustified - NATO after all, continued to negotiate at Geneva while the Russians were deploying new SS20s at the rate of one every week. It would also be against the interests of both sides.

Stolicholm

DRAFT STATEMENT BY THE PRIME MINISTER: 9 NOVEMBER:
THE RELATIONS OF THE BRITISH NUCLEAR DETERRENT TO ARMS
CONTROL

The Soviet Union persists in its demands that British and French nuclear weapons should be included in the INF negotiations. I should like to repeat our position.

The United States and the Soviet Union have agreed that their own strategic systems should be excluded from the INF negotiations. There can be no reason in equity or logic why the strategic systems of non-participants should be included. The Soviet attempt to suggest otherwise should perhaps be dismissed as a smokescreen, designed to hide what I hope is only a temporary unwillingness to negotiate seriously.

But, taken literally, what the Soviet leaders are asking for is either the unilateral strategic disarmament of Britain and France, or a monopoly of intermediate range missiles in Europe at the expense of the United States and its allies.

These demands are unacceptable and will remain so. Not because British weapon systems would be affected - but because what is proposed is unbalanced and inequitable, and would benefit one side at the expense of the other.

When it comes to arms control and disarmament, we in British claim no special privileges and no sanctuary. The record makes this clear, and we remain ready to play a full part in the arms control and disarmament process.

As far as the British deterrent is concerned, we must naturally take into account that our force is a strategic one, and that it represents less than three per cent of the strategic nuclear forces available to the United States or to the Soviet Union. It would be absurd as things stand for us to seek to trade reductions with a super power. But we have never said 'never'. On the contrary, we have made it clear that, if Soviet and US strategic arsenals were to be very substantially reduced, and if no significant changes had occurred in Soviet defensive capabilities, Britain would want to review her position and to consider how best she could contribute to arms control in the light of the reduced threat. That remains our position, which, I may add, I have brought to the personal attention of the Soviet leadership.

Worried About US Retaliation in Middle East?

I am concerned about any step which raises tension there. Cannot do better than quote President Reagan:

"Getting the people directly responsible and doing something to indicate that terrorism does have its punishment is a little different from just blindly striking out."

(Korean interview 7 November).

CEAUSESCU MESSAGE

It is not addressed to us. Kohl to reply.

Will want to consult with Allies, as we always do on these issues. But at first sight it seems to recognise that British and French strategic systems have no place in INF and that negotiations must continue after INF deployment begins. That at least is sensible.

Elements of a statement on Grenada

- We discussed the question of the American action in Grenada.
- In doing so we agreed that what counts now is looking into the future.
- We are convinced that under the circumstances Grenada will have a new chance to return to democracy. This we welcome.
- We hope that the restoration of normal political life on the island will take place in the shortest time possible.
- The North Atlantic Alliance, which unites the USA together with Canada and their European Allies in the defence of peace and freedom, has not been impaired by the events in Grenada. Frank words which we exchanged with our American friends in the past weeks with regard to Grenada cannot change our firm unity as regards fundamental views on law and freedom.