

CONFIDENTIAL



Foreign and Commonwealth Office

London SW1A 2AH

1 May 1984

John [unclear]

*AS 1/5
F-a.*

Anglo-German Summit at Chequers on 2 May: Checklist for the Prime Minister's Briefing Meeting at 1630 on 1 May

As requested by the Cabinet Office I enclose a checklist for the Prime Minister's meeting this afternoon.

The checklist takes account of your suggestion that subjects be divided into those for discussion between the Prime Minister and Chancellor Kohl in *tete-a-tete* talks, and those which might best be taken when Foreign Ministers join the meeting.

I also enclose a copy of Sir Jock Taylor's scene-setting telegram.

I am copying this letter to the Private Secretaries to Chancellor of the Exchequer, Minister of Agriculture, Secretary of State for Trade and Industry, Minister of State for Trade and Industry, Sir Robert Armstrong, and to Sir Peter Middleton (HM Treasury), Sir Michael Franklin (MAFF), Sir Brian Hayes (DTI), Sir A Rawlinson (DTI), David Goodall (Cabinet Office), David Williamson (Cabinet Office) and to Sir Jock Taylor.

[Signature]
(R B Bone)
Private Secretary

A J Coles Esq
10 Downing Street

CONFIDENTIAL

ANGLO-GERMAN SUMMIT: 2 MAY 1984

CHECKLIST FOR THE PRIME MINISTER

<u>Brief No</u>	<u>Subject</u>	<u>Main Points</u>	<u>Other points relevant to handling the subject</u>
-----------------	----------------	--------------------	--

For tête à tête with Dr Kohl (It is recommended that the subjects of briefs 3 and 4 should be discussed at the tête à tête, and others as time permits.)

3(a), 3(b) The European Community

Convince Kohl of our desire to complete the post-Stuttgart negotiations and, in particular, to resolve remaining differences on budget imbalances, before the European election Campaign if possible; and at the latest by the end of the French Presidency.

FRG is still seeking some form of relief for itself under the budget system. Any relief for Germany will increase costs to other Member States and thereby diminish our chances of negotiating an outcome successful from our point of view.

Remind Kohl of fundamental common interest of FRG, UK and France in a soundly financed Community. Seek German support for early progress by Finance Ministers on working out legal texts on budget discipline.

Remind Kohl of our interest in relaunch of Community and its development and our desire to work with FRG to achieve it. Work well in hand on British paper on the Future of European Cooperation which the Prime Minister called for.

CONFIDENTIAL
Main Points

Other points relevant
to handling the
subject

Brief No

Subject

3(c)

Community
Agricultural
Matters

Restrain growth of
CAP expenditure.
Resist revenue
raising measures.

4

Political and
Defence
Cooperation in
Europe

Open-minded about
a more active role
for WEU. Not
damage NATO or
good transatlantic
relations.

Kohl has an
imprecise vision
of European union.
Genscher strongly
favours reviving
WEU. Foreign
Ministers meeting
fixed for 24 May
but postponed by
Cheysson.

To be discussed at lunch

5

International
Economic Issues
and The London
Economic
Summit.

How can the economic
recovery develop in
to sustainable
growth.

Discuss over lunch.
Seek German
cooperation in
preparation for
summit. No third
Minister.

London
Economic
Summit -
Political
aspects.

Make best use of
time. Foreign
Ministers choose
their own agenda.
Terrorism?

Official's meeting
18 May to compare
notes on possible
items.

To be discussed when Foreign Ministers join Prime Minister and
Chancellor Kohl

6

East/West and
Inner German
relations

Compare assessments.
Ask about the GDR.

Both agree on need
for more dialogue.

7

Arms Control
and Disarmament

Discourage Germans
from "fidgeting"
while Russians
refuse to negotiate.

Germans keen for
visible activity

8

United Nations
Law of the Sea
Convention

Press the Germans
not to sign the
Convention in its
present form but to
sign the Provisional
Understanding.

Divided counsels in
Bonn. Raise with
Kohl, Genscher and
von Wuerzen.

9

Falkland
Islands/
Argentina

Press Kohl to support
our case when he
visits Argentina
in July.

Genscher has just
visited Argentina.

CONFIDENTIAL

<u>Brief No</u>	<u>Subject</u>	<u>CONFIDENTIAL Main Points</u>	<u>Other points relevant to handling the subject</u>
10	Bilateral Relations	Issue a statement on bilateral relations.	Text has been approved in Bonn and in Whitehall.
Subjects for separate discussion by Foreign Ministers			
<u>General Brief paragraph:</u>			
19	Airbus A320	Use V2500 engine on Airbus.	German firm (MTU) is in the consortium.
20	CERN	Review of High Energy Particle Physics does not preempt Government decision on withdrawal. No decision yet.	Germans would very much regret withdrawal.
	US manned space station	Cautious but have not ruled out participation through ESA.	
21	Environment	Show understanding for German problems.	Germans may introduce national measures ahead of the Community.
22	Libya	Need to coordinate policy.	Genscher postponed his visit. Foreign Ministers will discuss.
22-23	Middle East	Little scope for action by Ten on Lebanon. Agree on need for negotiation through Secretary General to end Gulf War. If oil supplies threatened IEA coordination would be necessary.	
24	South Africa	Impress on P W Botha need for early progress on Namibia.	Botha is visiting London, Bonn and some other capitals in early June.

CONFIDENTIAL

<u>Brief No</u>	<u>Subject</u>	<u>Main Points</u>	<u>Other points relevant to handling the subject</u>
25	Nigeria	Military government to reach agreement with the IMF.	
26	Central America	UK is against EC aid.	Germans favour increased EC aid.
27	Hong Kong	Explain position.	Germans interested in this.

GRS 990
CONFIDENTIAL

CONFIDENTIAL

FM BONN 271605Z APR 84

TO IMMEDIATE FCO

TELEGRAM NUMBER 419 OF 27 APRIL

INFO IMMEDIATE BMG BERLIN (FOR AMBASSADOR) MODUK (FOR PS/S OF S,
PUS, DUS P, DS12)

INFO SAVING UKREP BRUSSELS UKDEL NATO WASHINGTON PARIS

ANGLO-GERMAN SUMMIT, 2 MAY: GERMAN PREOCCUPATIONS

SUMMARY

1. KOHL WILL WANT THE SUMMIT TO BE SEEN AS A SUCCESS, AND IS THEREFORE UNLIKELY TO HARP ON THE BRITISH PRESS CRITICISM OF HIM AFTER THE BRUSSELS SUMMIT. HE WILL BE KEEN TO EXPLORE THE SCOPE FOR PROGRESS ON THE EC BUDGET. HE MAY STRESS HIS WISH TO MAKE STRIDES TOWARDS EUROPEAN UNION BUT HIS IDEAS ON WHAT THIS MEANS AND HOW TO ACHIEVE IT SEEM STILL VAGUE.

DETAIL

2. THE KOHL GOVERNMENT IS GENERALLY DOING WELL, WHILE THE SPD OPPOSITION IS CUTTING VERY LITTLE ICE. WITH INF DEPLOYMENT ON TRACK AND THE GERMAN PEACE MOVEMENT, THOUGH ALIVE, KICKING WITH DIMINISHED VIGOUR, THE GOVERNMENT IS DEVOTING MOST OF ITS DOMESTIC EFFORTS TO THE ECONOMY. ECONOMIC GROWTH HAS RESUMED ON A BROAD FRONT AND IS EXPECTED TO CONTINUE AT LEAST INTO 1985. OUTPUT, EXPORTS AND INVESTMENT ARE GROWING, INFLATION IS STEADY AT 3 PER CENT AND UNEMPLOYMENT HAS STOPPED GROWING AND SEEMS TO BE DECLINING. THE GOVERNMENT'S CHIEF POLICY PREOCCUATION IS THE SHAPE, VOLUME AND TIMING OF INCOME TAX REFORM. DECISIONS OF PRINCIPLE ARE EXPECTED NEXT MONTH THAT COULD PAVE THE WAY FOR TAX CUTS TO BOOST THE ECONOMY BY ANYTHING UP TO DM25 BILLION IN THE PERIOD 1986/88. THE IMMEDIATE PROBLEM IS THE DISPUTE BETWEEN EMPLOYERS AND EMPLOYEES OVER THE UNIONS' DEMAND FOR A 35 HOUR WEEK. ON BALANCE, A COMPROMISE INVOLVING A MUCH SMALLER, AND PERHAPS DELAYED, REDUCTION IN WORKING HOURS SEEMS LIKELY. BUT WIDESPREAD STRIKES ARE NOT EXCLUDED AFTER WORKERS ARE BALLOTTED IN EARLY MAY. IF THEY TAKE PLACE, THE STRENGTHENING RECOVERY WILL BE CHECKED.

3. CERTAIN PROBLEMS CONTINUE TO MAR THE GOVERNMENT'S PUBLIC IMAGE. IN AN UNEVEN MINISTERIAL TEAM, TWO OF THE BRIGHTER STARS HAVE UNCERTAIN FUTURES. LAMSDORFF MAY YET BE TRIED IN THE FLICK PARTY EXPENSES AFFAIR. WOERNER'S JUDGEMENT HAS BEEN CALLED SERIOUSLY INTO QUESTION BY THE KIESSLING AFFAIR AND HIS POLICY TOUCH IS ALSO LOOKING UNSURE AT PRESENT: SEE MY SEPARATE TELEGRAM TO MOD ABOUT BUNDESWEHR MANPOWER. GENSCHER HAS A DEFFERENT KIND OF WORRY: THE FDP'S RATINGS IN THE OPINION POLLS CONTINUE TO BE VERY LOW.

4. THE GERMANS REMAIN SATISFIED WITH THEIR BILATERAL RELATIONS WITH BRITAIN. KOHL WILL NOT WANT TO GIVE A PUBLIC IMPRESSION OF ESTRANGEMENT BETWEEN US, AND THEREFORE, I THINK, WILL SWALLOW HIS UNDOUBTED ANNOYANCE AT BRITISH PRESS CRITICISMS OF HIM AFTER THE BRUSSELS SUMMIT.

15

5. KOHL'S FIRST PURPOSE AT CHEQUERS WILL BE TO EXPLORE SOLUTIONS TO THE COMMUNITY FINANCING PROBLEM. HE FEELS THAT THINGS HAVE REACHED A POINT WHERE FURTHER DELAY WILL DIMINISH PROSPECTS OF SUCCESS. HE HAS COME UNDER VERY HEAVY PRESSURE FOR NOT HAVING DEFENDED GERMAN INTERESTS EFFECTIVELY. ALTHOUGH SOME OFFICIALS SEEM WILLING TO MOVE ABOVE 1000 MECU AS THE BASE FIGURE FOR THE SYSTEM, THERE ARE NO INDICATIONS THAT KOHL HIMSELF IS READY TO DO SO. HE MAY TROT OUT AGAIN THE - TO US UNACCEPTABLE --ARGUMENT THAT THE FEDERAL GOVERNMENT HAS ALREADY AGREED TO PAY UP HEAVILY FOR THE MCAS ARRANGEMENT.

6. KOHL WILL PROBABLY REITERATE HIS COMMITMENT TO REANIMATE THE EUROPEAN IDEAL, BY MOVES TOWARDS POLITICAL UNION ONCE THE POST-STUTTGART NEGOTIATIONS ARE OVER. HE WILL NOT BE ABLE TO DEFINE POLITICAL UNION BEYOND PERHAPS REITERATING THAT IT MUST BE MORE THAN A FREE TRADE AREA PLUS POCO. HIS IDEAS ON STEPS TOWARDS THIS HAZY GOAL SEEM STILL TO BE UNFORMED. HE HAS EVIDENTLY TOYED WITH IDEAS FOR A TWO-SPEED EUROPE, BUT I DOUBT THAT THESE HAVE TAKEN FIRM ROOT IN HIS MIND. THE BUDGET ARGUMENT HAS INCREASED DOUBTS IN GERMANY ABOUT HOW STRONGLY THE UK IS COMMITTED TO THE DEVELOPMENT OF EUROPE. THE MORE WE CAN CONVINCE KOHL THAT WE ARE COMMITTED TO HELPING TO DEVELOP THE COMMUNITY ON A REALISTIC BASIS, THE MORE HE MAY BE WILLING TO TAKE ~~OUR~~ OUR VIEWS INTO ACCOUNT AS HIS OWN IDEAS DEVELOP.

7. KOHL AND GENSCHER WILL PROBABLY BE KEEN TO EXCHANGE VIEWS ON THE ACTIVATION OF WEU, NOW THAT THE UK'S ATTITUDE HAS MOVED CLOSER TO THEIRS. ALTHOUGH KOHL IS WONT TO SPEAK OF STRENGTHENING THE EUROPEAN PILLAR IN THE ALLIANCE, HIS GOVERNMENT'S DIFFICULTIES IN MAINTAINING ITS PRESENT DEFENCE CAPACITY MUST MAKE HIM REALISE THAT THE MOST THAT MAY BE POSSIBLE IN THE NEAR TERM IS BETTER COORDINATION OF EUROPEAN POSITIONS ON DEFENCE POLICY SUBJECTS. WHILE I HAVE NO EVIDENCE THAT MUCH PROGRESS HAS BEEN MADE IN THE FRANCO-GERMAN DEFENCE POLICY CONSULTATIONS, WE HAVE AN INTEREST IN KNOWING WHAT HAS PASSED AND I SUGGEST THAT MINISTERS SHOULD ASK ABOUT THIS.

8. IN THE WIDER WORLD, THE GERMANS REGRET THAT THE RUSSIANS HAVE BOXED THEMSELVES INTO A CORNER IN EAST/WEST RELATIONS, BUT ARE NOT AT PRESENT CALLING FOR WESTERN CONCESSIONS TO HELP THEM OUT OF IT. WHILE REALISING THAT NUCLEAR ARMS CONTROL TALKS ARE UNLIKELY TO RESUME THIS YEAR, THEY ARE CONCERNED THAT THE WEST SHOULD ENSURE THAT THE DIALOGUE ON OTHER ARMS CONTROL SUBJECTS IS KEPT GOING. GENSCHER IS VISITING MOSCOW ON 20 MAY. THE GERMANS ARE CONTENT WITH THE STATE OF THEIR RELATIONS WITH THE AMERICANS: THEY ARE WELL AWARE OF THE PRESENT AND POTENTIAL AREAS OF TRANSATLANTIC DISAGREEMENT (DEFENCE EXPENDITURE, STRATEGIC DEFENCE, OUT OF AREA POLICY), BUT THEY BELIEVE THAT KOHL'S VISIT TO WASHINGTON LAST MONTH FURTHER IMPROVED THE ATMOSPHERE, AND THEY ARE ENCOURAGED THAT THE PRESIDENT HAS BEGUN TO MAKE STATEMENTS ABOUT THE RUSSIANS WHICH THEY CAN SUBSCRIBE TO. THEY ARE PLEASED AT THE HIGH LEVEL OF ACTIVITY AT PRESENT IN INNER-GERMAN RELATIONS, WITHOUT ILLUSIONS THAT THE THAW WILL LAST.

9. THE GERMAN PRESS HAS COMMENTED FAVOURABLY ON BRITISH HANDLING OF THE CRISIS WITH LIBYA. GENSCHER WOULD PROBABLY HAVE POSTPONED HIS VISIT TO TRIPOLI EVEN WITHOUT REPRESENTATIONS, BUT HE HAS SOMETIMES SEEMED RATHER UNCRITICAL OF THE QADAFI REGIME, AND A FIRST HAND ACCOUNT OF THE CRISIS FROM US AT CHEQUERS MIGHT STIFFEN THE FEDERAL GOVERNMENT'S ATTITUDE TO LIBYA IN THE FUTURE.

10. KOHL AND HIS GOVERNMENT ARE VERY KEEN THAT THE MUNICH ENVIRONMENT CONFERENCE SHOULD BE A SUCCESS. KOHL WROTE ON 13 APRIL TO THE COMMISSION ABOUT THE NEED FOR STRICTER STANDARDS ON LEAD IN PETROL. HE CAN BE EXPECTED TO SEEK THE PM'S SUPPORT FOR HIS AIM TO REACH INTERNATIONAL AGREEMENT FOR MUCH LOWER EMISSION LEVELS FOR ATMOSPHERIC AND OTHER POLLUTANTS FROM INDUSTRIAL PLANT AND VEHICLES, OR FAILING THAT HER UNDERSTANDING FOR HIS POLITICAL NEED TO MOVE AT THE NATIONAL LEVEL, IF NECESSARY, AHEAD OF THE COMMUNITY.

FCO PLEASE PASS SAVING

BONN WILL PASS TO BMG BERLIN

TAYLOR
STANDARD
WED
SOVIET DEPT
NENAD
EED
NAD

3.

CONFIDENTIAL