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*From the Private Secretary*

3 May 1984

Anglo/German Summit

I enclose a record of the discussion at Chequers on 2 May in which the Prime Minister, Chancellor Kohl, the Foreign and Commonwealth Secretary and Herr Genscher participated.

F. E. R. BUTLER

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## NOTE OF A MEETING BETWEEN HEADS OF GOVERNMENT AND FOREIGN MINISTERS AT CHEQUERS ON WEDNESDAY 2 MAY 1984 AT 1215 HOURS

### Present:

Prime Minister	Chancellor Kohl
Foreign and Commonwealth Secretary	Herr Hans-Dietrich Genscher
Mr. F.E.R. Butler	Dr. Immo Stabreit
Mr. L. Appleyard	Herr Wolfgang Ischinger
Interpreter	Interpreter

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The Foreign Secretary reported on the discussions he had had with Herr Genscher on the following subjects: Southern Africa, Cyprus, Iran/Iraq, international terrorism, Law of the Sea Convention, Argentina and East/West relations and arms control. The following additional comments were made on the report:-

#### (a) Cyprus

The Prime Minister noted Herr Genscher's view that the best prospect of putting effective pressure on Mr. Denktash was through the Turkish President. She commented that she did not regard it as a practicable prospect to persuade the Turkish Cypriots to reverse their declaration of unilateral independence in the near future, but she noted the German view that the pressure of the Turkish President was likely to be the most effective way of persuading Mr. Denktash to undertake serious discussions with the UN Secretary General.

#### (b) Iran/Iraq

The Prime Minister commented that an Iranian breakthrough would incur the risk of provoking the Shi'ites elsewhere in the Middle East and would have an unsettling effect throughout the whole region. Chancellor Kohl agreed. If the Iranians reached Baghdad it would have enormous effects in Jedda, Riyadh and elsewhere. He had told Mr. Shamir that he should be under no illusions about the effect it would have on Israel, because of the implications for Jordan. The Prime Minister said that, even after Khomeini, Iran would remain a powerful country, not only for its own national reasons but also as

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a centre of Shi'ite fundamentalism. The Foreign Secretary was keeping in close touch with the United States Government and was encouraging them to make it clear to the Russians that any moves which the Americans had to take in the Middle East were to be seen as a way of protecting Western interests there and not as a wider move against the Eastern Bloc. There were reassuring signs that the United States and the Russians were in touch with each other on this matter. But there appeared to be no end to the casualties which the Iranians were prepared to accept. Chancellor Kohl commented that Iranian exhaustion with the war was unlikely to come while Khomeini was still alive. Herr Genscher added that, while the West should be prepared with contingency plans for adverse developments in the region, there was an undesirable amount of public comment, for example about the Straits of Hormuz.

(c) Libya

The Prime Minister expressed her appreciation of Herr Genscher's decision to defer his visit to Libya. She said that she hoped to make progress at the Economic Summit or before on collaboration with other developed countries on methods of dealing with international terrorism. There were unacceptable threats to diplomats, as was evident from attacks on British diplomats abroad and foreign diplomats in London. It was known that international terrorist groups were operating, and there was reason to think that they were operating under cover of international diplomacy. So the Vienna Convention would have to be carefully looked at and, in cases where diplomatic status appeared to be exploited by particular countries, representation would have to be suspended or there would have to be a much more rigorous control on numbers and on the acceptability of individual representatives. Herr Genscher commented that the Vienna Convention was an important protection of Western representation in Moscow and the Eastern Bloc. In any action which was taken it would be important not to weaken this protection.

(d) Law of the Sea Convention

Herr Genscher said that while he was personally in favour of the Law of the Sea Convention, he was in a minority in the German Government. The Prime Minister expressed the hope that he would

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remain in a minority and Chancellor Kohl said that there was no prospect of a change in the position of the German Government.

(e) Argentina

Herr Genscher said that he had been impressed, during his visit to Argentina, by the fact that the Argentines made no effort to embarrass him over the Falklands. They had spoken with reticence and moderation, despite the fact that they were well advanced in negotiations through the Swiss about the talks on the normalisation of relations. The Prime Minister commented that the fundamental problem was that the Argentine Government wanted to use any discussions on normalisation of relations to open discussions about sovereignty. The British Government could not hold such discussions. She asked for Herr Genscher's view on the firmness of Alfonsin's position in view of the deterioration of the Argentine economic situation. Herr Genscher said that the Alfonsin Government was still strong. His impression was that the Finance Minister had not seen a way of solving Argentina's problems, but the economic adviser to the President was openly criticising the Minister and urging policies similar to those followed in Britain and Germany. Argentina was in a better position than any other South American country to solve its problems. It had no racial difficulties, a highly skilled labour force and many natural resources. But years of high inflation had damaged their economic psychology.

(f) East/West Relations and Arms Control

Herr Genscher said that there was evidence of a growing debate among the Warsaw Pact about the case for a more positive approach to arms control. This suggested that it was in the Western interest to continue to show a genuine interest in arms control and to reassure the Eastern Bloc that the West genuinely sought peace.

The Prime Minister then reported on her discussions with Chancellor Kohl about the Community budget. Herr Genscher made the observation that the Germans had not regarded the role of Viscount Davignon as helpful. The Prime Minister said that the British had thought that Viscount Davignon was seeking to be helpful and had done a lot of work with him behind the scenes following the

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Brussels Summit. Herr Genscher commented that this was the trouble . He added that Mr. Callaghan had warmly supported the British position when he had met him during a visit to Vienna, and he wished that Chancellor Kohl received similar support from his predecessor.

F.R.S.

2 May 1984

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