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ANGLO-GERMAN SUMMIT CONSULTATIONS, 18 JANUARY

1. THIS WEEK'S SUMMIT WILL BE DIFFERENT IN CHARACTER FROM THE ONE WHICH WE HAD PREPARED BUT HAD TO CANCEL ON 2 NOVEMBER, BEFORE THE DUBLIN MEETING OF THE EUROPEAN COUNCIL AND THE RESUMPTION OF AMERICAN-SOVIET TALKS. THE SITUATION IN THE COMMUNITY AND THE WORLD, TOGETHER WITH THE TIME OF YEAR, SHOULD NOW BE CONDUSIVE TO THE KIND OF 'STRATEGIC' DISCUSSION WHICH KOHL WAS ADVOCATING TO ME THE OTHER DAY.

2. THE GENERAL SITUATION HERE IS DESCRIBED IN MY ANNUAL REVIEW. PARTLY AS A RESULT OF THE COLD WEATHER (MINUS 10 DEGREES CENTIGRADE IN BONN THIS MORNING), POLITICAL LIFE HAS BEEN SLOW TO START UP AGAIN AFTER THE HOLIDAYS. BOTH KOHL AND GENSCHER HAVE RECENTLY FOUND TIME TO SEE ME FOR AN HOUR (BONN TELNOS 12 AND 26-27). KOHL, WHO HAS A TALENT FOR NOT NOTICING HIS OWN MISTAKES, IS CONVINCED THAT HE DID A GOOD YEAR'S WORK IN 1984. HE CAN POINT TO THE ACHIEVEMENTS IN THE ECONOMY (2.6 PER CENT GROWTH, AROUND 2 PER CENT INFLATION, A SURPLUS OF NEARLY DM.55 BILLION ON TRADE ACCOUNT), AND TO THE DECISION TO GO AHEAD WITH INF DEPLOYMENT, WITHOUT WHICH HE BELIEVES THAT GROMYKO WOULD NEVER HAVE COME TO GENEVA. WITH HIS CONFIDENT TEMPERAMENT KOHL PROBABLY SEES 1985 AS A YEAR OF OPPORTUNITIES FOR GERMANY AND FOR HIMSELF, RATHER THAN THE YEAR OF RISKS WHICH IT IS TOO. GENSCHER FOR HIS PART SEEMS RECONCILED TO SHEDDING THE CHAIRMANSHIP OF HIS PARTY NEXT MONTH. HE IS PARRYING RATHER THAN REPELLING KOHL'S INROADS INTO INTERNATIONAL AFFAIRS. COMPARED WITH PAST SUMMITS THIS MAY BE A MEETING WHERE KOHL TALKS MORE ON INTERNATIONAL QUESTIONS AND GENSCHER LESS.

3. THERE ARE THREE LAND ELECTIONS IN THE OFFING, IN MARCH AND MAY, WHICH THE GOVERNMENT WILL HAVE TO TAKE VERY SERIOUSLY SINCE IN EVERY CASE THE GREENS COULD MAKE SIGNIFICANT GAINS. BUT WITH THE HALF-WAY POINT BEHIND THEM THE COALITION AND THE COMMENTATORS ARE FOCUSING MORE AND MORE ON THE NEXT FEDERAL ELECTIONS DUE IN FEBRUARY 1987.

4. AS TO THE SUBJECTS ON THE AGENDA, YOU WILL FIND THE GERMAN ATTITUDE TO EAST-WEST RELATIONS VERY CLOSE TO OURS, EXCEPT THAT SOME PEOPLE IN BONN PROBABLY DO PIN EXAGGERATED HOPES ON THE AMERICAN-SOVIET DIALOGUE. THE FRG WILL HOPE TO WORK CLOSELY WITH US IN KEEPING EUROPE PLUGGED INTO AMERICAN THINKING. THEY NEED OUR HELP IN NAVIGATING THE SEA OF IMPENDING ANNIVERSARIES. THEY ARE FAIRLY CONFIDENT OF BEING ABLE TO GET BACK INTO THE EAST-WEST DIALOGUE THEMSELVES DURING THE NEXT FEW MONTHS, AND HOPE THAT WE WILL NOT GET TOO FAR AHEAD OF THEM IN THE MEANWHILE IN TALKING TO THE GDR.

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5. ON THE COMMUNITY, THIS MAY BE A CHANCE TO BRING KOHL'S PERSONAL WAVELENGTH CLOSER TO OURS BY PEGGING AWAY WITH THE FACTS AND ARGUMENTS WHICH YOU HAVE RECENTLY RESTATED IN YOUR INTERVIEW WITH HANDELSBLATT AND WHICH ARE GRADUALLY SINKING IN HERE. IT WAS A PLEASURE TO HEAR KOHL USE THE WORD "PRAGMATIC" THE OTHER DAY. HIS VISION OF EUROPE IS STILL OF A CONTINENT PROCEEDING BY MAJESTIC LEAPS FORWARD. BUT DELORS' SPEECH TO THE EUROPEAN PARLIAMENT (UKDEL STRASBOURG TELNO 4) IS TIMELY AND QUOTABLE. AS TO THE 1985 BUDGET, THE PROBLEM IS LARGELY OF GERMAN ORIGIN AND I HOPE WE CAN GIVE A PATIENT HEARING TO ANY GERMAN PROPOSAL FOR SOLVING IT.

6. ON THE ENVIRONMENT, I RECOMMEND THAT WE MAKE OUR CASE IN A FACTUAL TONE, BUT ACKNOWLEDGE THE STRONG POLITICAL AND EMOTIONAL FACTORS ON THE GERMAN SIDE. THE DISCUSSION REALLY IS MORE ABOUT MEANS THAN ABOUT ENDS.

7. UNDER THE HEADING OF BILATERAL QUESTIONS, MY MAIN HOPE IS THAT THE SUMMIT CAN BE USED TO REINFORCE THE SUCCESS WITH WHICH WE HAVE BEEN DEVELOPING THE ANGLO-GERMAN MILITARY RELATIONSHIP, INCLUDING COOPERATION IN ARMS PROCUREMENT: THE VISIT BY THE CGS ON 14-15 FEBRUARY IS ONLY THE LATEST EXAMPLE.

BONN WILL PASS TO BMG BERLIN AND CHCC(G).

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2
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