

Prime Minister

A. J. C. 15/8

Chargé d'Affaires a.i.
~~DER BOTSCHAFTER~~
DER BUNDESREPUBLIK DEUTSCHLAND

London, 16th March 1983

1. Copy ~~ASAP~~ to ECO (E)
 Mr D. Stoddley ~~ASAP~~ 15
 Private office 15/07/83 Hand
 2. Mr Young - A. Spk. 15/07/83
 Dear Secretary of State, 15/07/83
 Dr. Bauer
 Dr. Haug

I have just received the text of a letter from Secretary Shultz to Foreign Minister Genscher which I have been instructed to convey to you and which I hasten to transmit herewith.

Yours, dear Secretary of State,
very sincerely yours,

Jürgen von Alten
Jürgen von Alten

The Rt. Hon. Francis Pym, MC, MP
Her Majesty's Principal Secretary of State
for Foreign and Commonwealth Affairs
L o n d o n

march 14, 1983

dear hans-dietrich:

i want to ekspress my deep concern to you that the u.s. and the european community appear to be embarked on a collision course over the use of agricultural eksport subsidies. you surely share my concern about the danger that our differences over agriculture will spill over onto other issues and thereby damage the fundamental relationship between the united states and europe. i am raising ths issue with you now not only because i know we share that point of view, but also because germany, as the presidency country of the european community, has a specific role as interlocutor of the united states. this role was recognized by the other member states when they agreed to your sending me your letter of february 25.

this is not the time to discuss, much less debate, the trans-atlantic differences over the use of agricultural eksport subsidies. at this late stage in the dispute, we must, rather, seek to resolve these differences, or failing that, find ways to contain the harm this dispute can do to the alliance.

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on march 17, vice president haferkamp and commissioner dalsager will be meeting with bill brock and other senior figures in the u.s. government. i sincerely hope they will be bringing with them proposals that will offer the prospect of the composition of our differences. to achieve this, the commission proposals will have to be more imaginative for the short term, and far-reaching for the long term, than what the commission presented to us in january and february. i do not mean to intrude into the internal workings of the community, but since you raised this issue with me, i thought it appropriate to suggest that you consider whether, on the basis of our own understanding of this near-crisis, you wish to reinforce commission president thorn's effort to develop forthcoming proposals.

what happens after march 17 depends heavily on what the commission proposes at the meeting. if the commission makes meaningful new proposals, i shall argue for serious consideration of them within the u.s. government. given the political pressures that have developed here over this issue, we shall have to move very fast-- if there is a basis for movement.

i realize that there are similar pressures in europe, and i understand that this issue will arise at the european council meeting of march 21-22. i would hope that germany could, at that meeting, seek to mobilize support for commission proposals--assuming that these proposals at least create the basis for further us-ec discussion.

if the proposals do not provide a basis for a negotiated settlement of our agricultural differences in the near future, we then have a different set of responsibilities. if the community and the united states must differ over agricultural exports to third markets, let us at least try to restrict the dispute to such markets, and resist pressures for other kinds of actions.

again, i shall argue for such a position here, should that be the only option open (semi) and i hope that germany would resist the pressures that will probably arise within the community, perhaps as soon as the european council of march 21-22.

i hope we can come out with a better result than one of pure damage-limitation. i will bend my best efforts here to achieve a positive result.

with best regards,
sincerely,
george p. shultz.