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Foreign and Commonwealth Office

London SW1A 2AH

21 November 1985

Dear Charles,

Prime Minister
He wants to talk
about Reagan / Gorbachev, and
UK/France/German relations

Category 1 Visit by Johannes Rau: 21-22 November

CDP
24/11

The Prime Minister will as you know be meeting Rau, Minister President of North Rhine Westphalia, at 0900 tomorrow.

I enclose briefing for the call, together with a personality note, a programme for the visit, and Sir Julian Bullard's scene-setting telegram.

Programme

The Foreign Secretary will have breakfast with Rau immediately before his call on the Prime Minister. Rau will see Lord Young, Mr Brittan and Mr Healey in the course of the day, and will have met Dr Owen and Mr Heseltine the day before.

Rau and the SPD

While Rau will not receive the formal nomination as SPD Chancellor Candidate for the 1987 Federal elections until the Party Conference in 1986, he seems certain to stand.

As Sir Julian Bullard's telegram and despatch make clear, there is little chance that the SPD will return to Government after the 1987 elections. The immediate question is to what extent Rau can influence SPD policy, particularly on East-West relations, defence and arms control. Even in opposition the SPD can affect our interests directly. The possibilities for wedge-driving afforded by recent SPD contacts with the Soviet Union and the GDR are a case in point. These contacts can also have a positive effect (eg on human rights in the GDR).

Topics for discussion

Rau is sure to ask the Prime Minister's views on the prospects for East/West relations following the Reagan/Gorbachev Summit. He would also like to discuss the UK/German/French relationship and its influence on the future development of Europe. Your letter of 17 November agreed the arrangements for participation and a photo call. Mr Ezra Jurmann will interpret.

Yours ever,
Colin Budd

(C R Budd)
Private Secretary

C D Powell Esq
10 Downing Street

JOHANNES

Minister-President of North Rhine-Westphalia (NRW) since 1978. Deputy Chairman of the SPD since 1982.

Born 1931 in Wuppertal. A publisher by profession and member of the SPD since 1957. In 1967 became leader of the SPD Parliamentary Party in the NRW Landtag. Elected Lord Mayor of Wuppertal in 1969, appointed Land Minister of Science and Technology in 1970. Became Minister-President in September 1978, and re-elected with a greatly increased majority in May 1985.

Following a meeting/^{attended} by Brandt and Vogel, Rau announced on 16 September 1985 that he was prepared to stand as SPD Chancellor-candidate in the Federal Elections in January 1987. He stressed that a formal nomination would have to await the Party Conference in August 1986.

Although popular in his own Land, he has yet to show whether he has yet or prove himself at Federal level. The Coalition parties believe that his inexperience will show itself once SPD policies come under detailed scrutiny in the election campaign. They may be right. He recently said in public that if elected, he would rescind the present Government's social cuts, seek to reverse the NATO Double Decision and any agreement reached on FRG participation in SDI, and perhaps abolish political vetting of public servants. Rau quickly back-tracked on social cuts (the policy was introduced by the SPD under Schmidt), saying he had been misquoted, but the incident has been seen as indicating lack of judgement.

A non-ideological socialist, his style to seek consensus solutions. An excellent speaker. Has an instinctive understanding of the interests and prejudices of the industrial workers of the Rhine-Ruhr conurbation. He has ruled out any SPD/Green coalition at Federal level.

A pleasant, affable man with a good sense of humour. Active in Protestant church affairs. Often referred to as "Bruder Johannes".

Hitherto regarded as a confirmed bachelor, in 1982 he surprised even his colleagues by his marriage in London to the granddaughter of the former President Heinemann, who is over 25 years his junior. He speaks some English. His wife is bilingual, having been to school to Gordonstoun and taken her degree at LSE. One daughter, one son.



CALL ON PRIME MINISTER BY HERR RAU, 22 NOVEMBER 1985

General Objectives

- A. To establish contact with a possible future (Socialist) Chancellor of the Federal Republic (though his party not likely to obtain power in the 1987 election).
- B. To convince him of Britain's commitment to the European Community and to the defence of Europe.
- C. To encourage reliable SPD policies in support of NATO and on matters of East-West debate.

Specific talking points

I EUROPEAN COOPERATION

Our Objectives

- To explain our view of the UK/German/French relationship.
- To make clear to Rau that EC membership is part of our way of life and that we are committed to the future development of the EC.
- To assure Rau of UK determination to continue EUREKA's momentum during our chairmanship.

Arguments to Use

UK/German/French Relationship

- Europe now central to Britain's place in the world and vice versa. Our troops committed to continent since end of last war.
- Franco-German reconciliation launched political/economic integration in Europe: created new lasting peace in West.
- But different relationships have different strengths, complementing each other. UK/FRG relations easy, informal, less structured.
- Fruitful time in bilateral relations: Summit 27 November, State Visit of President von Weizsäcker 1-4 July 1966.
- Anglo-French relationship also a key one: traditional competition resurfaces, but basic interests (EC, nuclear) close.

EC Issues

- Keen to see agreement at European Council in Luxembourg which will achieve better decision making leading to completion of the common market and strengthening political cooperation.
- Committed to reform of Common Agricultural Policy.



Have been able to work closely with FRG on main EC issues, especially the budget.

- Important to work together with Germany and France to give leadership to the Community after enlargement.

Anglo-German Defence Cooperation

- Anglo-German defence cooperation second to none in Europe.

- Commitment to forward defence BFG Headquarters (Rheindahlen) is in North Rhine Westphalia.

EUREKA

- Key objective is to improve European competitiveness, with industrialists in the lead, and finance from private sector.

- Removal of barriers to a true European market an essential element in Eureka's success.

His Objectives

- To discuss UK/German/French relationship, and its role in future development of Europe.

- Possibly to argue for greater public sector involvement in EUREKA.

Your Response

- EUREKA: Industry dependent on public subvention for too long. Firms must play lead role.

Background

1. SPD EC policy similar to that of Kohl and Genscher, though coloured (slightly) by more interventionist policy.

2. Rau is interested in EUREKA, and will see Mr Brittan to pave way for visit by North Rhine Westphalian industrialists.

3. Hanover Ministerial meeting on EUREKA on 5/6 November opened by Kohl and chaired by Genscher. Agreed a Declaration of Principles setting criteria; also first ten projects. UK companies involved in three, one of which (lasers) also involved FRG.

4. UK's offer to chair EUREKA meetings until third Ministerial in May/June 1986 accepted. We aim to concentrate on creating market environment to enable projects to flourish. FRG and French governments have suggested Strasbourg as location but views of all EUREKA participants have to be considered.

I EAST-WEST RELATIONS AND DEFENCEOur Objectives

- To encourage caution in the SPD's attitude to the Soviet Union.
- To support bipartisan FRG policy towards the GDR as the best long-term safeguard for the Allied position in Berlin.
- To explain our position on arms control and defence issues.

Arguments for UseEAST/WEST RELATIONS (GENERAL)

- Realism, consistency, unity essential elements in convincing Russians of Western sincerity and of need for serious negotiation.
- Only when Russians see no opportunities for wedge-driving will they embark on negotiation.

INNER-GERMAN RELATIONS

- Better inner-German relations good for East-West relations generally and for Berlin provided Berlin status is not affected. -
- Brandt's visit to the GDR and East Berlin (18-20 September) and enhanced party contacts indicate growing GDR self-confidence in foreign policy - at behest of or in spite of USSR?

EUROPEAN DEFENCE CO-OPERATION

- main purposes of European defence co-operation: to strengthen European contribution to Alliance and ensure maintenance of US presence in Europe; to rationalise and increase competitiveness of European armaments industry;

ARMS CONTROL

- Geneva talks: Latest US proposal built on positive aspects of Soviet proposal, which contain unacceptable elements. Give-and-take negotiations now necessary.
- Gorbachev offer of direct talks: position on UK deterrent remains same. Ready to pursue dialogue on wider arms control issues.
- SDI: Only prudent US should counter-balance Soviet efforts. Camp David four points sound guide to future policy.
- Welcome US commitment to consult before moving beyond research and to stay within restrictive interpretation of ABM Treaty.



Objectives

- To seek our impressions of the Reagan/Gorbachev summit.
- To emphasise his moderate views on defence issues; to play down likely influence of SPD extremist wing on defence policy.
- Possibly to explain SPD thinking on CW and nuclear free zones in Central Europe.

Your Response

- Summit: US consultations have been exemplary.
- Nuclear free zone: Not increase security. Weapons remain targetted from outside, and missiles are mobile.
- CW free zone: Welcome, insofar as evidence of Warsaw Pact willingness to ban CW. But no effect on Soviet Union; inadequate verification; and detracts from global ban, the only real solution.

Background

SPD/SOVIET RELATIONS

- Rau had flattering reception in Moscow (9-10 September) including call on Gorbachev.
- Followed visit in May by Brandt, who showed sympathy for Soviet positions.

SPD/GDR RELATIONS

- Following cancellation of Honecker's planned visit to the FRG in September 1984, the SED (GDR ruling Communist party) intensified its contacts with the SPD.
- Brandt visited East Berlin on 18-20 September and was given red carpet treatment. He expressed support for the SPD/SED draft treaty on chemical weapons,

SPD ARMS CONTROL AND DEFENCE POLICY

- SPD defence policy subject of intense internal debate. But includes commitment to:
 - a) Withdrawal of INF from FRG. Moratorium on deployments while Geneva in progress.
 - b) Nuclear free zone in Central Europe, possibly in collaboration with GDR.
 - c) CW free zone in Europe with GDR. SPD/SED proposals on this agreed in June.
 - d) Hostile to SDI.
- Rau inexperienced in security issues. Recently he has appeared supportive of mainstream defence thinking (ie NATO and FRG place in it).

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PROGRAMME FOR VISIT BY HERR RAU, 20-22 NOVEMBER

20 November

18.15	Arrive Heathrow
20.00	Dinner hosted by FRG Ambassador

21 November

08.30-09.45	Meeting at German Chamber of Commerce
10.15-11.00	Call on Dr Owen
11.15-12.15	Discussions at Anglo-German Foundation
12.45-14.30	Lunch hosted by Mr Rifkind
14.30	Call on Mr Heseltine
15.15	Prime Minister's Question Time
15.45	Tea with MPs
17.30	Chatham House Talk
19.00	Private party hosted by Herr Rau

22 November

07.30-08.30	Breakfast with Foreign Secretary
09.00-09.30	Call on Prime Minister
09.45	Call on Mr Willis, TUC
11.00	Call on Lord Young
11.40	Call on Mr Brittan
12.15	Meeting with Denis Healey followed by lunch
14.30 (14.15 if Rau prefers)	Meetings with British and German journalists at FRG Embassy
15.15	Depart for Heathrow

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TO IMMEDIATE FCO
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INFO SAVING CGS IN FRG, BMO BERLIN, CICC(G)

FRG INTERNAL: VISIT OF HERR RAU: 20-22 NOVEMBER

SUMMARY

1. PROSPECT OF FEDERAL ELECTIONS IN JANUARY 1987 ALREADY STARTING TO OVERSHADOW POLITICAL SCENE. CDU/CSU/FDP CONFIDENT OF BEING RETURNED TO POWER. SPD PUTTING A BRAVE FACE ON THEIR CHANCES, BUT THEIR CANDIDATE-ELECT RAU HAS MADE A HESITANT START. AGREEMENT ON SPD/GREENS COALITION GOVERNMENT IN HESSEN HAS OPENED UP A WIDER DEBATE ON QUESTION OF 'RED/GREEN' COOPERATION WHICH BOTH PARTIES COULD WELL DO WITHOUT.

DETAIL

2. ALTHOUGH THE BUNDESTAG ELECTIONS ARE STILL 14 MONTHS OFF, THEIR SHADOW HAS ALREADY STARTED TO FALL ACROSS THE POLITICAL SCENE. THE COALITION IS CONFIDENT OF WINNING AGAIN, THOUGH ITS IMAGE AND PERFORMANCE AS A WHOLE CONTINUES TO BE HAMPERED BY FRICTION BETWEEN ITS THREE COMPONENT PARTIES. KOHL'S GRIP IS AS SLACK AS EVER. THESE RIVALRIES ARE LIKELY TO GROW MORE ACUTE NEXT YEAR, AS EACH PARTY TRIES TO RAISE ITS PROFILE WITH THE VOTERS.

3. THE SPD ARE TALKING BRAVELY OF A RETURN TO POWER IN 1987, BUT THIS DOES NOT SEEM REALISTIC. THE SPD HAS NEVER WON AN ABSOLUTE MAJORITY IN THE FRG, AND THE FDP ARE NOT LIKELY TO CHANGE SIDES AGAIN SO SOON. EVEN THE GOAL OF EMERGING IN 1987 AS THE LARGEST SINGLE PARTY SEEMS AMBITIOUS. THE LATEST SPD-COMMISSIONED POLL (5 NOVEMBER) GIVES THEM 44 PER CENT, CDU/CSU 41 PER CENT, GREENS 8 PER CENT, FDP 7 PER CENT. BUT THE CDU/CSU BELIEVE THAT FAVOURABLE ECONOMIC TRENDS IN 1986, AND A PACKAGE OF SOCIAL AND FINANCIAL MEASURES INCLUDING TAX CUTS, WILL TURN THE TIDE BACK IN THEIR FAVOUR.

4. THE SPD'S BIGGEST POPULAR ASSET IS THEIR CHANCELLOR CANDIDATE-ELECT RAU, WHO IS CONSISTENTLY AHEAD OF KOHL IN THE OPINION POLLS. BUT RAU HAS SO FAR SHOWN NO GREAT ENTHUSIASM FOR THE TASK, AND RAU HAS ALLOWED HIS INEXPERIENCE TO SHOW IN SOME UNWISE COMMENTS ON CURRENT ISSUES, E.G. SOCIAL POLICY. HIS APPETITE FOR BONN IS IN ANY CASE LIMITED, AND HE HAS ALREDY SAID THAT HE WILL RETURN TO DUESSELDORF RATHER THAN STAY IN BONN AS OPPOSITION LEADER IF THE SPD LOSE. HE KNOWS HIS PARTY LACKS COHERENT POLICIES ON DEFENCE AND ECONOMIC STRATEGY (THOUGH A NEW SPD PAPER ON ECONOMIC POLICY HAS BEEN PUT TO THE PARTY EXECUTIVE TODAY). LAST WEEK BROUGHT FRESH EVIDENCE THAT THE SPD IS ALSO DIVIDED ON THE SENSITIVE ISSUE OF RELATIONS WITH THE GDR, WHEN LAFONTAINE (LEFT-WING MINISTER-PRESIDENT OF THE SAARLAND) STATED DURING A VISIT TO EAST BERLIN THAT IMPROVED RELATIONS BETWEEN THE TWO GERMAN STATES WOULD

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IN THE LONG RUN DEPEND ON THE FRG'S RECOGNISING A SEPERATE GDR CITIZENSHIP. SUCH REMARKS ARE A GIFT TO THE CDU/CSU AND FDP. RAU HAS SO FAR NOT COMMENTED.

5. RAU IS THUS IN NO HURRY TO START CAMPAIGNING, AND HIS PARTY ADVISERS WILL TRY TO KEEP HIM OUT OF THE RAIN AS LONG AS THEY CAN. BUT HE IS INEVITABLY ALREADY BEING CHALLENGED TO TAKE A LINE ON CONTROVERSIAL ISSUES. CHIEF AMONG THESE AT PRESENT IS THE SPD'S POSITION ON COOPERATION WITH THE GREENS, FOLLOWING LAST MONTH'S AGREEMENT ON AN SPD/GREENS COALITION GOVERNMENT IN HESSEN. RAU IS ADAMANT THAT HE WILL HAVE NO TRUCK WITH THE GREENS UNDER ANY CIRCUMSTANCES. OTHER SPD LEADERS, NOTABLY BRANDT, HAVE EXPRESSED THEMSELVES MORE EVASIVELY. THE GREENS ARE ALSO DIVIDED. BOTH PARTIES COULD WELL DO WITHOUT A DAMAGING DEBATE ON THIS QUESTION OF PRINCIPLE, BUT IT IS LIKELY TO DOG THEM ALL THE WAY TO POLLING DAY.

BULLARD

BONN WILL PASS SAVINGS

LIMITED

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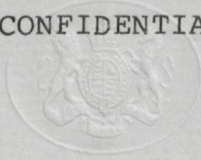
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RESEARCH D

MR DEREK THOMAS

MR SAMUEL

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RAU, JOHANNES

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