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File

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Foreign/Lubbers

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From the Private Secretary

**SUBJECT
MASTER**

1 November 1991

Filed on:

TELEPHONE CALL BETWEEN THE PRIME MINISTER
AND PRIME MINISTER LUBBERS

Prime Minister Lubbers of The Netherlands telephoned the Prime Minister this morning.

GATT

Mr. Lubbers referred to the letter he had received from President Bush about the GATT (of which we have, of course, had a copy). Mr. Lubbers wanted to try to unblock the negotiations in advance of the EC/US Summit on 9 November and was pursuing intensive discussions with the Commission as well as contacts with Paris, London and Bonn. He wondered if the Prime Minister could agree (as Chancellor Kohl had already done) to nominate someone with whom the Dutch could be in contact. Mr. Lubbers made clear that whoever was nominated would need to be in a position to be involved fairly comprehensively in discussions.

The Prime Minister welcomed what Mr. Lubbers had said. He would come back with a name. We would nominate someone who was fully briefed on all the detail of the GATT negotiations and who could come over to The Hague if necessary.

Soviet Union

Mr. Lubbers said that Delors was rather frustrated at the lack of movement on the Soviet Union. The Prime Minister said that Nigel Wicks had been in touch with M. Lamy and others about the organisation of a meeting of Sherpas but there seemed to be a blockage on the US side. We were anxious to make progress and would pursue the matter again.

The Prime Minister said that we understood that the Community package on food aid would be taken by the Commission next week and would then be referred to the European Parliament, but it could take as much as two months for the Parliament to give its approval. If President Nazarbaev was right then there could be real food shortages before Christmas. We must do everything we could to speed up the timescale. Mr. Lubbers agreed. He had not been aware of the problem but would look into

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it. He and the Prime Minister agreed that even if other members of the G7 did not follow the Community's example the Community should go ahead with its food aid package.

IGCs

Mr. Lubbers said that he would particularly wanted to talk to the Prime Minister in Rome about social issues, the European Parliament, the word "federal" and the WEU.

The Prime Minister explained the circumstances surrounding the postponement of his meeting with Chancellor Kohl. He looked forward to a discussion with Mr. Lubbers. He had been going through the IGCs with colleagues and we were hoping for agreement at Maastricht. There were some things we could not deliver. That was no doubt true for other member states although the problems might be more difficult here. The new presidency draft on EMU had been very well received in Britain. The Prime Minister knew that it caused difficulties but the inclusion of a general exemption provision was very important for us.

Follow up

- (i) GATT. The Prime Minister would be grateful if Mr. Lilley could nominate someone whose name I could pass on to Prime Minister Lubbers' office as a point of contact on the GATT. I should be grateful if Martin Stanley could get back to me on this during the course of today.
- (ii) Soviet Union. I have spoken to Nigel Wicks who will be in touch with M. Lamy. The Prime Minister would like to send a message to M. Delors, both to let him know we share his sense of urgency and to encourage the fastest possible progress on the EC food aid package through the European Parliament. I should be most grateful for a draft to reach me by Monday 4 November.

I have spoken to General Scowcroft about the danger, as described to the Prime Minister by Nazarbaev, of a food shortage in the Soviet Union before Christmas. I said that we thought it important to discuss this problem and had suggested a meeting of Sherpas. This seemed to have run into the ground in the US. We were happy to go along with the US suggestion of a discussion on the Soviet Union at the NATO Summit but that did not bring in the Community or the Japanese and would not therefore meet the operational need. Scowcroft said he was not aware of this particular problem and would look into it.

Scowcroft said that Bush and Gorbachev had had a rather odd meeting in Madrid. A few days before the meeting, Gorbachev had sent a message to President Bush, asking for \$4½ billion of US bilateral aid. He had reduced this sum to \$3½ billion at the meeting. The President had explained the difficulties of providing such a sum, not least the Administration's obligation to certify credit worthiness. The President had indicated that he might be able to meet about half the sum but Gorbachev had asked him not to make any announcement for the time being. Scowcroft was not sure what Gorbachev's motives were.

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The Prime Minister has been thinking of sending a message to President Bush on the Soviet Union in advance of the NATO Summit to try to provide a focus for discussion on the subject when the President and Prime Minister meet on Thursday morning. If the Foreign Secretary and Chancellor think this is a good idea I should be grateful if a draft could be provided to reach me by Monday 4 November.

I am copying this letter to Jeremy Heywood (HM Treasury), David Rossington (Ministry of Agriculture, Fisheries and Food), Martin Stanley (Department of Trade and Industry) and Sonia Phippard (Cabinet Office).

(J. S. WALL)

Richard Gozney, Esq.,
Foreign and Commonwealth Office.

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