

GRS 1200

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FM BONN 181515Z JUN 84

TO IMMEDIATE FCO

TELEGRAM NUMBER 606 OF 18 JUNE

INFO IMMEDIATE LUXEMBOURG (FOR S OF S PARTY)

UKREP BRUSSELS AND PARIS - PERSONAL FOR AMBASSADORS

YOUR TELNOS 328 AND 329

EUROPEAN COMMUNITY: CALL ON CHANCELLOR KOHL

1. ALTHOUGH I MADE IT CLEAR TO THE CHANCELLOR'S OFFICE THAT I WAS READY TO MEET HIM AT ANY PLACE AND AT ANY TIME BEFORE HIS DEPARTURE FOR HUNGARY ON 21 JUNE, I HAVE SO FAR NOT BEEN ABLE TO GET AN APPOINTMENT. IN ORDER NOT TO WASTE TIME I AGREED TO CALL THIS MORNING ON THE MINISTER OF STATE IN THE KANZLERAMT, DR JENNINGER WHO HAD BEEN CHARGED BY THE CHANCELLOR TO SEE ME. I MADE IT CLEAR TO JENNINGER HOW DISAPPOINTED THE PRIME MINISTER WOULD BE THAT I HAD NOT YET BEEN ABLE TO SPEAK TO HIM. THE PRIME MINISTER THOUGHT IT ESPECIALLY IMPORTANT THAT THE POINTS SHE HAD TO MAKE SHOULD BE MADE PERSONALLY TO THE FEDERAL CHANCELLOR AND THAT HIS REACTIONS THERETO COULD BE REPORTED TO HER. IT WAS VITAL AT THIS STAGE TO ENSURE THE BEST POSSIBLE COMMUNICATION. JENNINGER APOLOGISED THAT IT HAD NOT BEEN POSSIBLE TO ARRANGE AN APPOINTMENT WITH THE CHANCELLOR. TODAY THE CHANCELLOR WAS ALL DAY TIED UP WITH PARTY OFFICIALS ASSESSING THE OUTCOME OF THE EUROPEAN ELECTION. BUT, JENNINGER WOULD SEE WHETHER IT STILL MIGHT BE POSSIBLE AND WOULD LET ME KNOW. I AM NOT CONFIDENT THAT IT WILL BE POSSIBLE TO SEE THE CHANCELLOR BEFORE HE LEAVES FOR HUNGARY.

2. I WENT THROUGH THE POINTS IN YOUR TELNOS 328 AND 329.

3. I REFERRED TO OUR PAPER ON EUROPEAN UNION, POINTING OUT THAT IT PROPOSED A RANGE OF CONCRETE MEASURES AIMED AT MAKING EUROPE MORE OF A REALITY. IT DID NOT GO IN FOR GRANDIOSE PHRASES. THAT WAS NOT OUR STYLE. BUT IT ADDED UP TO A CLEAR AND PERSUASIVE VISION OF THE FUTURE OF EUROPE AND WAS ONE, MOREOVER, ON WHICH THE PRIME MINISTER HAD SET HER OWN STAMP. IT CONTAINED A VERY FAR REACHING PROGRAMME, THE AIM OF WHICH WAS, IN ACCORDANCE WITH THE TREATY'S PREAMBLE, TO BRING THE PEOPLE OF EUROPE TO EVER CLOSER UNION. I WAS GLAD TO SEE THAT THE CHANCELLOR HAD SPOKEN OF THE NEED FOR A STEP BY STEP APPROACH (MY TELNO 601).

4. THE COUNCIL AT FONTAINEBLEAU OFFERED THE CHANCE OF A TURNING POINT FOR THE COMMUNITY. IF THE STUTTGART PACKAGE COULD BE FINALLY PUT TOGETHER THEN THE WAY LAY OPEN FOR THE COMMUNITY'S FUTURE DEVELOPMENT. FOR THIS REASON THE PRIME MINISTER WAS VERY KEEN ON SUCCESS. A FURTHER FAILURE AND THE CONTINUATION OF THE DISPUTES THAT HAD HINDERED THE COMMUNITY OVER THE PAST YEARS WOULD BE VERY DAMAGING. A DISAPPOINTINGLY LOW TURN OUT IN THE EUROPEAN ELECTION WAS PROOF THAT THE COMMUNITY NEEDED A SUCCESS MORE THAN EVER. THE PRIME MINISTER WANTED EUROPE TO BE STRONGER AND TO MAKE ITS VOICE FELT. IT WAS IMPORTANT THAT THE CHANCELLOR SHOULD UNDERSTAND THAT.

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9. I REMINDED JENNINGER OF THE IMPORTANCE THE PRIME MINISTER ATTACHED TO GETTING GOOD PEOPLE FOR THE COMMISSION. THIS WAS PARTICULARLY IMPORTANT FOR THE JOB OF PRESIDENT. SHE WOULD LIKE TO KNOW WHETHER THE GERMANS HAD YET DECIDED ON A CANDIDATE. JENNINGER SAID THAT GERMAN CONSIDERATION WAS NOT YET COMPLETE. THE CHANCELLOR HAD ALWAYS BEEN OF THE VIEW THAT IT WOULD NOT BE POSSIBLE TO DECIDE ON A GERMAN CANDIDATE, OR THAT WHETHER OR NOT THERE SHOULD BE A GERMAN CANDIDATE AT ALL, UNTIL AFTER THE EUROPEAN ELECTION. THE CHANCELLOR WOULD NOW, FOLLOWING THE ELECTION, WANT TO SEE WHAT THE EFFECTS WERE ON POLITICAL RELATIONSHIPS WITHIN THE FEDERAL REPUBLIC BEFORE TAKING A DECISION. JENNINGER EXPECTED A DECISION TO BE TAKEN IN THE COURSE OF THIS WEEK. WHEN I PRESSED HIM, HE ADMITTED THAT BIEDENKOPF REMAINED A SERIOUS CONTENDER.

10. 1983 REFUNDS (UNDERLINED).

I REMINDED JENNINGER THAT THESE REFUNDS HAD BEEN BLOCKED BY THE FRENCH AND THE ITALIANS. THIS WAS VERY DISAPPOINTING. IF THE STUTTGART PACKAGE WERE NOT SOLVED AND THESE REFUNDS REMAIN UNPAID THEN THE COMMUNITY WOULD FACE A VERY DIFFICULT SITUATION. THAT WOULD BE MADE EVEN WORSE BY THE PROBLEM OF THE 1984 BUDGET SHORTFALL. JENNINGER TRIED TO ARGUE THAT THE 1983 REFUNDS WERE SUBJECT TO AGREEMENT ON THE STUTTGART PACKAGE. I EXPLAINED TO HIM THAT THAT WAS NOT THE CASE, THAT THE FRENCH HAD MADE THIS CONNECTION ONLY AFTER THE MEETING AT STUTTGART. THE TEXT OF THE PRESIDENCY CONCLUSIONS WAS QUITE CLEAR. IN CONCLUSION, I SAID TO JENNINGER THAT IT WAS NOT TO BE EXPECTED THAT THE BRITISH WOULD AGREE A LONG TERM INCREASE IN THE COMMUNITY'S RESOURCES FOR A SHORT TERM PATCHED UP SOLUTION TO THE PROBLEM OF BUDGETARY IMBALANCES.

11. COMMENT (UNDERLINED).

JENNINGER DID NOT SEEM WELL BRIEFED. BUT STABREIT, THE CHANCELLOR'S DEPUTY DIPLOMATIC ADVISER, WHO WAS ALSO PRESENT, TOOK A NOTE. I HOPE THEREFORE THAT OUR POINTS WILL HAVE BEEN ACCURATELY RECORDED AND THAT THEY WILL REACH THE CHANCELLOR. BEFORE GOING IN TO SEE JENNINGER I HAD A BRIEF WORD WITH STABREIT WHO EXPRESSED HIS CONFIDENCE THAT AGREEMENT WOULD BE REACHED IN FONTAINEBLEAU AND WHO CLAIMED THAT THE FRENCH WERE, AND HAD ALL ALONG BEEN, VERY KEEN TO SETTLE. THE RESULTS OF THE EUROPEAN ELECTION WOULD INCREASE MITTERRAND'S DESIRE FOR A SUCCESS. I DOUBT THAT I SHALL NOW SEE KOHL BEFORE HE GOES TO HUNGARY ON 21 JUNE.

(CCN: PARA 8 LINE 5 - PLEASE DELETE FULL STOP AFTER 'DISAPPOINTING')

FCO PLEASE ADVANCE TO:
CAB OFF - WILLIAMSON, DURIE
FCO - TICKELL, RENWICK, FAIRWEATHER

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3.
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GRS 140

UNCLASSIFIED *FRAME ECONOMIC*

FM BONN 181400Z JUN 84

TO IMMEDIATE FCO

TELEGRAM NUMBER 604 OF 18 JUNE

INFO IMMEDIATE LUXEMBOURG (FOR S OF S PARTY), UKREP BRUSSELS, PARIS
INFO SAVING OTHER EC POSTS

EUROPEAN COUNCIL - BUDGET CONTRIBUTIONS

1. IN AN ARTICLE TODAY HEADED 'KOHL CAVES IN', SPIEGEL CLAIMS THAT THE TOUGH LINE BEING ADOPTED BY KOHL AND MITTERRAND ON THE UK'S BUDGET REBATE IS A BLUFF. BOTH ARE SAID TO BE SECRETLY PREPARED TO MEET MOST OF THE PRIME MINISTER'S DEMANDS SINCE THE EC NEEDS LONDON'S APPROVAL TO FILL THE GAP IN THE 1984 BUDGET, WITHOUT WHICH THE COFFERS WILL BE EMPTY IN SEPTEMBER. THE ARTICLE ASSERTS THAT IN A TALK IN THE MARGINS OF THE ECONOMIC SUMMIT THE PRIME MINISTER AND MITTERRAND MARKED OUT THE COURSE, MITTERRAND SAYING HE WOULD OPEN THE NEGOTIATIONS AT FONTAINEBLEAU WITH THE OFFER MADE IN BRUSSELS OF 1000 MILLION ECU. ACCORDING TO A 'BRITISH EC DIPLOMAT', SPIEGEL CLAIMS, THE PRIME MINISTER WOULD SETTLE FOR 'SOMETHING AROUND 1100 TO 1150 MILLION'. THE EC SPECIALISTS IN LONDON, PARIS AND BONN ARE SAID TO BE PUTTING A FORMULA TOGETHER ALREADY TO CAMOUFLAGE MITTERRAND'S AND KOHL'S CAVE-IN SO AS TO AVOID LOSS OF FACE.

FCO PLEASE PASS SAVINGS AND ADVANCES:

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CAB OFF - WILLIAMSON, DURIE

HM TSY - UNWIN, FITCHEW, MORTIMER

TAYLOR

(ADVANCED AS REQUESTED)

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