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10 DOWNING STREET

LONDON SW1A 2AA

From the Private Secretary

20 October 1986

Dear Edw.

**CHANCELLOR KOHL'S VISIT TO WASHINGTON:
SOUTH AFRICA**

The Prime Minister has seen Bonn telegram no. 861 and Washington telegram no. 2650 about ideas which Chancellor Kohl is reportedly intending to put to President Reagan about South Africa. It is not clear to her whether the plan of action summarised in the Washington telegram comes from the Chancellor or from the German Foreign Ministry. Certainly it bears no relation to the ideas which Chancellor Kohl discussed with her. She has commented that she regards the plan as entirely impracticable and taking no account of the fact that South Africa is a sovereign state.

Yours sincerely,
Charles Powell

(Charles Powell)

Colin Budd, Esq.,
Foreign and Commonwealth Office.

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PRIME MINISTER

SOUTH AFRICA

You will want to see the attached telegrams about Chancellor Kohl's ideas on South Africa, which he proposes to discuss with President Reagan. They seem to me to run well ahead of what is practicable.

It amounts to letting over to deindustrialize the future South Africa, it is not possible.

Teltschik has promised to get in touch on his return from Washington to follow up the discussion which you and the Chancellor had in Bonn.

*Presumably
in our only
real weapon
not*

C.D.P.

(C. D. POWELL)
17 October 1986

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TO IMMEDIATE FCO

TELNO: 075

OF 171025Z OCTOBER 86

INFO PRIORITY MODUK, WASHINGTON, UKDEL NATO, PARIS, ROME, MOSCOW

CHANCELLOR KOHL'S VISIT TO THE UNITED STATES

SUMMARY

1. KOHL GOES TO WASHINGTON WITH ARMS CONTROL AND EAST/WEST ISSUES AT THE TOP OF HIS AGENDA. SOUTH AFRICA AND THE MIDDLE EAST WILL BE ON HIS MIND TOO. HE WILL NOT BE AFRAID TO DEFEND HIS CORNER ON ECONOMIC ISSUES.

DETAIL

2. KOHL, ACCOMPANIED BY HIS FOREIGN AND DEFENCE MINISTERS GENSCHER AND WOERNER, WILL VISIT THE UNITED STATES FROM 20 TO 24 OCTOBER. MUCH OF HIS PROGRAMME IS OUT OF WASHINGTON. WITH THE PRESIDENT HE WILL FOCUS LARGELY ON ARMS CONTROL ISSUES.

3. THIS IS ALMOST CERTAINLY KOHL'S LAST VISIT BEFORE THE BUNDESTAG ELECTIONS ON 25 JANUARY. THE ELECTORATE'S CURRENT MOOD HERE IS ONE OF GENERAL SUPPORT FOR HIS COALITION, AND PERHAPS MORE THAN HITHERTO FOR KOHL PERSONALLY AS WELL. ELECTORAL CONSIDERATIONS WILL NEVER BE FAR FROM HIS THOUGHTS FROM NOW ON. ON THE US RELATIONSHIP, THE MOOD IN THE FRG (SUBJECT TO PREDICTABLE DIFFERENCES ACROSS THE POLITICAL SPECTRUM) REFLECTS LESS ANTI-AMERICANISM NOW THAN AT SOME TIMES IN THE PAST, AND KOHL HIMSELF HAS GIVEN AN EXEMPLARY LEAD ON THIS POINT. EXCEPT ON THE LEFT, THERE IS NO WIDESPREAD DISPOSITION HERE TO BLAME PRESIDENT REAGAN FOR THE OUTCOME OF REYKJAVIK, THOUGH A FEELING OF DISAPPOINTMENT IS EVIDENT IN THE PRESS.

POST-REYKJAVIK

4. THE FEDERAL GOVERNMENT THEMSELVES HAVE TAKEN AN INCREASINGLY POSITIVE STANCE DURING THIS WEEK: THEY HALF BELIEVE THAT PROSPECTS FOR A MAJOR ARMS CONTROL BREAKTHROUGH WERE ADVANCED AT REYKJAVIK. KOHL WILL BE ENCOURAGED BY THE PUBLIC AND PRIVATE STATEMENTS NOW COMING OUT OF WASHINGTON AND MOSCOW, EXCEPT FOR DOUBT ABOUT INF LINKAGE. INF IS THE AREA IN WHICH THE FRG MOST WANTS AN EARLY BREAKTHROUGH. WHILE THERE IS CONSIDERABLE MILITARY CONCERN IN BONN AT THE IMPLICATIONS OF ZERO LRINF IN EUROPE, NO ONE HERE IS NOW CHALLENGING THAT GOAL PUBLICLY. WOERNER WILL PROBABLY ASK WEINBERGER HOW, GIVEN ZERO LRINF, AN ADEQUATE NUCLEAR CAPABILITY CAN BE MAINTAINED IN EUROPE. BOTH KOHL AND HE WILL NO DOUBT PRESS THE QUESTION OF SHORT-RANGE INF, ON FAMILIAR LINES. INF SO DOMINATES GERMAN THINKING THAT KOHL MAY NOT PURSUE AT THIS STAGE THE MORE FUNDAMENTAL IMPLICATIONS OF REAGAN'S FAR-REACHING IDEAS ON ABOLITION OF NUCLEAR WEAPONS. BUT WOERNER WILL BE LOOKING FOR CLARIFICATION ON THIS SCORE. I DO NOT SEE KOHL PRESSING REAGAN ON SDI RESEARCH/ABMT AT THIS JUNCTURE.

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5. KOHL WILL ARGUE FOR ACCOMODATION OF THE FRENCH CASE OVER A CONVENTIONAL ARMS CONTROL FORUM LINKED IN SOME WAY TO THE CSCE PROCESS. THE GERMANS WERE ANGERED BY THE EARLY PRESIDENTIAL DECISION AGAINST SUCH A LINK. BUT THEY WILL PRESS THE FRENCH TO MOVE AS WELL.

REGIONAL ISSUES

6. KOHL IS STILL PERSONALLY ATTRACTED BY THE ISRAELI CONCEPT OF A MARSHALL PLAN FOR THE MIDDLE EAST, DESPITE ATTEMPTS BY THE JORDANIANS AND HIS OWN FOREIGN MINISTRY TO POUR COLD WATER ON IT. HE MAY WELL RAISE THIS IN WASHINGTON. THE GERMANS ALSO PERCEIVE A NEED FOR SOME SORT OF POLITICAL INITIATIVE OVER SOUTH AFRICA, THOUGH THEIR IDEAS ARE AT PRESENT ILL-THOUGHT OUT, AND DIFFER AS BETWEEN THE FEDERAL CHANCELLERY AND FOREIGN MINISTRY.

ECONOMIC QUESTIONS

7. DESPITE SOME FEARS FOR EXPORT PERFORMANCE FOLLOWING THE APPRECIATION OF THE DM, THE ECONOMIC MOOD HERE IS CONFIDENT, AND ROBUST IN RESISTING US PRESSURE ON INTEREST RATES. RECENT INDICATORS ARE GOOD, WITH INFLATION NOW NEGATIVE, PROSPECTS FOR GROWTH HOLDING UP, AND UNEMPLOYMENT EVEN FALLING AT THE MARGIN. WITH THIS COMFORTABLE PRE-ELECTION POSITION, KOHL WILL AIM TO RIDE-OUT ANY US PRESSURE FOR AN EARLY CHANGE IN GERMAN INTEREST RATES.

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TELNO 861
OF 151410Z OCTOBER 86
INFO PRIORITY WASHINGTON

CHANCELLOR KOHL'S VISIT TO WASHINGTON

1. TELTSCHIK TOLD ME TODAY THAT KOHL WOULD RAISE THE FOLLOWING POINTS IN HIS TALKS IN WASHINGTON NEXT WEEK:

A) EAST/WEST RELATIONS POST REYKJAVIK. SEE MY TELNO 95A.

B) SOUTH AFRICA. KOHL HAD TOLD LUBBERS THAT IT WOULD BE NO USE THE DUTCH TRYING TO DRAG THE 12 ALONG THE PATH TAKEN BY THE US CONGRESS. INSTEAD, THE GERMANS WERE WONDERING ABOUT THE POSSIBILITY OF SETTING-UP VERY CONFIDENTIAL TRIPARTITE MACHINERY BASED ON LONDON, WASHINGTON AND BONN TO CONSIDER FUTURE STEPS. IF THERE WERE THREE PEOPLE IN THE WORLD WHO HAD INFLUENCE WITH THE SOUTH AFRICAN PRESIDENT THEY WERE THE PRIME MINISTER, REAGAN AND KOHL. TELTSCHIK THOUGHT IT JUST POSSIBLE THAT IF THESE THREE COULD WORK OUT SOME IDEAS FOR A WAY FORWARD AND PUT THEM TO PRESIDENT BOTHA (CUTTING OUT PIK BOTHA), THEY MIGHT BE ACCEPTED. AS TO THE CONTENT, TELTSCHIK SAID THAT KOHL HAD NOTED THE IDEAS YOU HAD AIRD IN WASHINGTON ABOUT MUTUAL ASSURANCES BETWEEN THE SAG AND THE AFRICAN POLITICAL LEADERS, WHICH HE THOUGHT BOTH INTERESTING AND REALISTIC. KOHL ALSO STILL HAD IN MIND HIS OWN EARLIER IDEA OF SOMEHOW MOVING THE DISCUSSIONS BETWEEN BOTHA AND THE BLACK LEADERS OUTSIDE SOUTH AFRICA. OBVIOUSLY ANY TRIPARTITE PLANNING WOULD NEED TO BE KEPT VERY CONFIDENTIAL INDEED, AND TELTSCHIK MADE IT PLAIN THAT KOHL WOULD WANT TO SHUT GENSCHER OUT.

C) THE MIDDLE EAST. TELTSCHIK RECALLED THE ISRAELI IDEAS FOR A "MARSHALL PLAN" INVOLVING ISRAEL AND ONE OR MORE OF HER NEIGHBOURS. KOHL HAD TOLD WEIZMANN (MY TELNO 729) THAT THERE MUST FIRST BE A SOLUTION ON TABA AND AN ISRAELI-EGYPT SUMMIT. THESE CONDITIONS HAD NOW BEEN MET. KOHL WAS INTERESTED IN THE MARSHALL PLAN IDEA, PROVIDED THAT A) THE INITIATIVE CAME FROM THE REGION:

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B) THE PLAN WOULD ACCOMPANY AND NOT REPLACE SOME KIND OF PEACE PROGRESS; AND C) THE MONEY WOULD BE CONTRIBUTED FOR CONCRETE PROJECTS, NOT SIMPLY FOR A GENERAL FUND. KOHL PROPOSED TO AWAIT FURTHER WORD FROM ISRAEL, AND HE UNDERSTOOD VERY WELL THAT THE CHANGE OF PRIME MINISTER THERE MIGHT HAVE ALTERED MATTERS. TELTSCHIK GAVE NO INDICATION THAT KOHL'S INTEREST HAD BEEN DAMPENED BY THE NEGATIVE REACTION OF RIFAI (HASKELL'S TELELETTER OF 1 OCTOBER).

2. APART FROM THIS, TELTSCHIK SAID, MUCH OF KOHL'S TIME WOULD BE SPENT IN CONTACTS AND PUBLIC APPEARANCES OUTSIDE THE WASHINGTON BUREAUCRACY, FOR EXAMPLE IN CHICAGO.

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