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PRIME MINISTER

MEETING WITH COUNT LAMSDORFF

You are to have a talk tomorrow with Count Lamsdorff, Chairman of the German FDP. You know him well, but have not seen him for some time. He is basically a friend and fellow believer, so you will want to go easy on him! In particular, he is the main guarantor of free market ideas in the FDP, and the main bulwark against a coalition between the FDP and SPD. (You will have seen that the CDU and FDP both did fairly badly in the Saarland election, the FDP only barely clearing the 5 per cent hurdle.)

The main subject will obviously be German reunification. Lamsdorff wants to explain the German views to you. He has been much more alive than other German Ministers to the sensitivities of Germany's allies, and the need to consult. You will wish to explain frankly our misgivings about too early and rapid a move towards reunification (although the likelihood of that has increased with the decision to bring forward the date of the East German elections). Reunification must not upset Europe's stability: the GDR cannot just waltz into the EC: we need to think about a united Germany's relationship to NATO (on which the Germans themselves seem to have no clue): and there are the Four-Power rights, which cannot just be put on one side. Does the FDP share Chancellor Kohl's aim of reunification by January 1995?

He will also want to talk about Economic and Monetary Union on which his views are closer to Poehl than to Genscher. You will want to make sure that he understands that Parliament will not accept Delors Stages 2 and 3, so some other way forward will have to be found.

You will want to question him about the German attitude to defence, and the need to maintain adequate forces including American and UK nuclear weapons in Germany. You should take him to task over recent FDP statements expressing doubts about EFA. That gives entirely the wrong signal.

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Finally, you might ask his views on Oskar Lafontaine, who - following his election victory in Saarland - now looks likely to be the SPD challenger to Chancellor Kohl in November's election.

Some fuller briefing is in the folder.

CDP

C. D. POWELL

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