



Foreign and Commonwealth Office

London SW1A 2AH

4 August, 1983

Prime Minister

Dear Tim,

Message from Chancellor Kohl

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4/8

Thank you for your letter of 1 August enclosing a copy of a letter from Chancellor Kohl to the Prime Minister. The message is a reply to the Prime Minister's letters of 28 June on the end of the German Presidency and of 7 July in reaction to President Mitterrand's message to the Chancellor on the outcome of the European Council at Stuttgart.

We do not think it is necessary or desirable to reply to Chancellor Kohl. It seems clear that the Germans still remain to be convinced about the need for a strict financial guideline for controlling agriculture. We shall have to make a major effort to do so in the autumn. But a further message from the Prime Minister is not called for yet.

In the last paragraph of his letter, Chancellor Kohl gives a reasonably reassuring German interpretation of the agreement reached at Stuttgart on the refunds for 1983. He offers no Presidency backing for President Mitterrand's interpretation, although he also avoids commenting on or agreeing with ours. In the circumstances we have no interest in encouraging debate on different national interpretations of the Stuttgart conclusions.

I am copying this letter to John Kerr (HM Treasury), Robert Lawson (MAFF) and Richard Hatfield (Cabinet Office).

Yours ever
J E Holmes

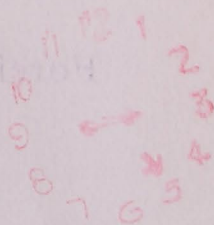
(J E Holmes)
Private Secretary

T Flesher Esq
10 Downing Street

This is a
challenge
Schmidt was
but couldn't get
it through his
Cabinet.

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10 DOWNING STREET

From the Private Secretary

12 August 1983

Dear Tom,

The Prime Minister has now seen your letter of 4 August commenting on the recent message from Chancellor Kohl. Mrs. Thatcher has agreed that in the circumstances no reply seems necessary.

*Yours
Tim*

Timothy Flesher

John Holmes, Esq.,
Foreign and Commonwealth Office.

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