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PRIME MINISTER

ANGLO-GERMAN SUMMIT

The Anglo-German Summit takes place in Bonn on Tuesday afternoon and follows the usual format. You have an hour's talk with the Chancellor alone, then 45 minutes with Foreign Ministers present. Thereafter there is a press conference followed by a plenary.

The briefs are attached. You will find a telegram from Julian Bullard in the envelope, setting out the situation in the FRG. There is a briefing meeting on Monday morning. You will have spoken to Chancellor Kohl about South Africa on Sunday night.

There is a pretty full agenda for the Summit. You will probably start with the usual review of internal developments and Kohl will tell you how perfectly marvellous everything in Germany is. You will want to give him a picture of our economic prospects, might mention our decision to introduce visas, and express sympathy with his problems on asylum seekers. This might also be the moment to discuss nuclear power, which is a bigger political issue in the FRG than here with the SPD committed to phasing it out. You might also say a word about our recent decision to reduce suplhorous emissions at power stations.

You will probably want to go on to South Africa, depending on what is agreed when you speak to Kohl on Sunday and subsequently at the Foreign Affairs Council on Monday/Tuesday. You will not like the FCO brief on this and will want to discuss it at Monday's briefing meeting.

There are quite a number of points to raise on East/West relations and arms control. Kohl is very keen to see a US/Soviet summit before his elections. He will be going to Washington in October. We agree broadly on the importance of a summit and the need for some concrete arms control measures at it. We also agree on the need to lobby hard against the

CONFIDENTIAL

so-called Glenn amendment, which would restrict the scope for European companies to win SDI contracts. But there are some signs of wobble in the German position on a Comprehensive Test Ban. And they may be too willing to fudge verification issues on military exercises in order to get a positive outcome to the CDE. They have, however, given strong and helpful support to our proposals on challenge inspection on chemical weapons.

There are several EC issues which need to be aired. We want to be sure of German support for avoiding any discussion of an increase in the 1.4% VAT ceiling this year or next. We also want to enlist their support for savings in the CAP by reducing intervention and curbing cereals surpluses by set-aside (though they will not agree to any painful measures before their elections). We want them to back our employment initiative, where they suspect us of having designs on Community funds. Particularly important is the need to galvanize them to a much tougher EC approach to Japan. They have traditionally been weak-kneed on this. The Germans will probably raise their problems on Turkey. In theory there is supposed to be free movement of labour for Turks from next December. The Germans want to cancel that. Others think the Turks won't accept cancellation, and suggest postponement for 10 years. It is a big and very contentious political issue at home for Kohl. You might finally touch on Commodity Agreements and urge the Germans to support our free member approach and tough line in the negotiations on rubber and cocoa.

There are few specific points to be raised on the Middle East, though you might compare assessments of Walters' recent round of visits and likely American intentions towards Libya.

You might pat him on the back for his role in launching the IAEA Special Conference on international cooperation in nuclear safety, which will be held on 24-26 September.

CONFIDENTIAL

- 3 -

There are a number of points in bilateral relations which require a mention. You are looking forward to the joint visit to British Forces Germany. You hope the Germans will be in a position to sign the MOV on the European Fighter Aircraft in October. Problems over military training areas are being discussed by a special group and we cannot anticipate its outcome. (The Germans want us to stop training in the summer holidays.) We sympathise with his problems on draft dodgers in Berlin, but can't agree any solution which puts at risk Berlin's demilitarized status. We have not yet reached a decision on launch aid for the Airbus A330/340, but recognise that airbus must develop its product range if it is to have a future. We are grateful for the German assurance not to supply SUT torpedoes to Argentina. We hope they will again abstain on the Falklands resolution at the UN. We must coordinate tactics for the World Administrative Radio Conference next year, otherwise both the BBC World Service and Deutsche Welle will be at risk.

C.D.P.

CHARLES POWELL

13 September 1986

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12 September 1986

Mr Sawyer  
Prime Minister's Office  
10 Downing Street

*Dear Sawyer*

PRIME MINISTER'S ANGLO-GERMAN SUMMIT BRIEFING MEETING  
MONDAY 15 SEPTEMBER AT 11.15 AM

As requested we are confirming that the following will be attending the briefing meeting :

The Hon William Waldegrave MP

Mr R Braithwaite - FCO

Mr J Bullard - British Embassy, Bonn

Sir Clive Whitmore - Ministry of Defence

- Dr M Holgate - Department of the Environment

Mr A Macdonald - Department of Trade and Industry

Mr J Holroyd - Cabinet Office

Mr C L G Mallaby - Cabinet Office

*Yours sincerely*  
*Thos Shearer*

T M H SHEARER

Copied to: Mr M Stark, Cabinet Office