

CONFIDENTIAL

ANGLO-GERMAN SUMMIT, 16 SEPTEMBER 1986: RECORD OF THE PLENARY
SESSION, HELD IN THE KANZLERAMT, BONN, AT 1730

Present:

The Prime Minister	Dr. Kohl
Sir Geoffrey Howe	Herr Genscher
Mr. Younger	Dr. Wörner
Mr. Pattie	Dr. Reisenhuber
Mr. Waldegrave	Dr. Wallmann
Sir Julian Bullard	Dr. Schlecht
Sir Clive Whitmore	and officials
and officials	

Dr. Kohl opened the meeting by expressing appreciation for the excellent state of Anglo-German relations, despite occasional differences. This good relationship was an essential pre-condition for further progress towards a federal Europe. He suggested that there was no need for Foreign Ministers to report to the Plenary as they had been unable to hold a bilateral meeting in Bonn and had already given an extensive account of developments in Brussels at the press conference. The Prime Minister endorsed Dr. Kohl's assessment of the state of relations and expressed appreciation for the German Government's welcome.

Dr. Wörner said that he and Mr. Younger had discussed the situation in the Alliance. They were agreed on the need to prevent the United States and Europe drifting apart and to avoid encouraging attitudes which could lead to the reduction of the US military presence in Europe. They had agreed to compare notes about the insights they gained into the SDI from the participation of their respective firms. They had noted that the revitalisation of WEU had not so far produced encouraging results. They hoped that the European Fighter Aircraft MOU could be signed at the NPG meeting in Gleneagles. There were difficulties over the SP70 but they had had a

CONFIDENTIAL

CONFIDENTIAL

- 2 -

useful exchange and would be talking to the Italians at Gleneagles. They had noted that the Anglo-German Coordinating Group had made some progress on the question of the environmental impact of military training. Mr. Younger had agreed that the negotiators should be asked to continue their work. Mr. Younger commented that the very close relations in the defence field were a great advantage to both countries and essential in preserving the cohesion of NATO. He much appreciated the role Dr. Wörner played in the Alliance. He confirmed that experts would be keeping in touch to monitor the European side of the SDI to ensure that the spin-off was as high as we hoped it might be.

Mr. Pattie said that he had had discussions with Dr. Schlecht and would be having further discussions with Dr. Riesenhuber after the Plenary. Dr. Schlecht and he had agreed on the need to press on with the completion of the internal market. They had similar positions on the Information Technology Directive and the introduction of OSI standards, which they believed should be voluntary. On public procurement, they had agreed that the directive should not apply to all European utilities until further studies had been carried out. They had agreed that a Shipbuilding Directive was needed and that the aim should be to minimise government subsidies. They had noted that after ten years' work on the Fork-Lift Truck Directive there were still difficulties over reaching agreement on pedal layout. Dr. Schlecht had said that the FRG would join the British in putting pressure on the Commission to ensure that Greece met its obligations on introducing VAT and removing export subsidies such as those which were causing the UK difficulties over cement. He and Dr. Schlecht had discussed transport especially civil aviation and noted that the UK put more weight than the FRG on liberalisation of market forces. Their views on RACE differed but the problem could perhaps be dealt with if it was looked at in a longer-term context. They had noted that Airbus Industrie was about to start its marketing drive and that the results of this would enable the two governments to take the necessary decisions. Dr. Schlecht added that the two sides saw the need for further contact on

CONFIDENTIAL

the liberalisation of services especially insurance. He also said that he and Mr. Pattie had agreed that it was important to press ahead with the new approach to harmonisation: mutual recognition of standards rather than regulating for uniformity.

Dr. Kohl commented that the Prime Minister and he had agreed that it was important to continue the Airbus project. If Airbus disappeared the United States would have a monopoly of aircraft manufacture in the 1990s. The new cost forecasts were, however, disturbing. Reliable figures were needed soon so that an intermediate balance could be drawn up.

Dr. Wallmann said that he and Mr. Waldegrave had begun by discussing large combustion plants. Good progress had been made. They had agreed on the need for new plants to be equipped with desulphurisation equipment and hoped that agreement in Brussels would be forthcoming this year. A bilateral working party on transboundary air pollutants and control technologies was to be established within the next week or two. Wallmann welcomed the increasing number of unleaded petrol stations in the UK and Mr. Waldegrave's support for his attempt to get authority to phase out leaded normal petrol. He and Mr. Waldegrave had also emphasised the importance of measures for the protection of the North Sea to be discussed at next year's conference to be held in London. They had agreed a joint press communiqué. Mr. Waldegrave expressed appreciation of the warm relations that had developed between his department and Dr. Wallmann's new Ministry. The relationship had been transformed and there was now a good understanding between the two countries in this field.

Dr. Kohl closed the meeting at 1800.

C.D.P.

CONFIDENTIAL



The Minister
BRITISH EMBASSY
53 Bonn Friedrich-Ebert-Allee 77

Telephone Bonn 234061 ext ~~123~~ 270

Your reference

Our reference

Date 18 September 1986

Charles Powell Esq
No. 10 Downing Street
LONDON SW1

Dear Charles

ANGLO-GERMAN SUMMIT, 16 SEPTEMBER

- / 1. I enclose my draft record of the Plenary Session for you to revise and distribute as appropriate.

Yours ever
Nigel

N C R Williams

cc:

Colin Budd Esq
FCO

CONFIDENTIAL

DSR 11 (Revised)

CONFIDENTIAL

Record

DRAFT: minute/letter/teleletter/despatch/note

TYPE: Draft/Final 1 +

FROM:

Reference

DEPARTMENT:

TEL. NO:

SECURITY CLASSIFICATION

TO:

Your Reference

Top Secret

Secret

Confidential

Restricted

Unclassified

PRIVACY MARKING

..... In Confidence

CAVEAT

SW2AAX

Copies to:

SUBJECT: ANGLO-GERMAN SUMMIT, 16 SEPTEMBER 1986:
RECORD OF THE PLENARY SESSION, HELD IN
THE KANZLERAMT, BONN AT 1730

Present:

The Prime Minister
Sir Geoffrey Howe
Mr Younger
Mr Pattie
Mr Waldegrave
Sir Julian Bullard
Sir Clive Whitmore
etc. and officials

Dr Kohl
Herr Genscher
Dr Wörner
Dr Riesenhuber
Dr Wallmann
Dr Schlecht
etc. and officials.

1. Dr Kohl opened the meeting by expressing appreciation for the excellent state of Anglo-German relations, despite occasional differences. This good relationship was an essential pre-condition for further progress towards a federal Europe. He suggested that there was no need for Foreign Ministers to report to the Plenary as they had been unable to hold a bilateral meeting in Bonn and had already given an extensive account of developments in Brussels at the press conference. The Prime Minister endorsed Dr Kohl's assessment of the state of relations and expressed appreciation for the German Government's welcome.

2. Dr Wörner said that he and Mr Younger had discussed the situation in the Alliance. They were agreed on the
/need

Enclosures—flag(s).....

CONFIDENTIAL

need to prevent the United States and Europe drifting apart and to avoid encouraging attitudes which could lead to the reduction of the US military presence in Europe. They had agreed to compare notes about the insights they gained into the SDI from the participation of their respective firms. They had noted that the revitalisation of WEU had not so far produced encouraging results.

They hoped that the European Fighter Aircraft MOU could be signed at the NPG meeting in Gleneagles. There were difficulties over the SP70 but they had had a useful exchange and would be talking to the Italians at Gleneagles. They had noted that the Anglo-German Coordinating Group had made some progress on the question of the environmental impact of military training. Mr Younger had agreed that the negotiators should be asked to continue their work.

Mr Younger commented that the very close relations in the defence field were a great advantage to both countries and essential in preserving the cohesion of NATO. He much appreciated the role Dr Wörner played in the Alliance. He confirmed that experts would be keeping in touch to monitor the European side of the SDI to ensure that the spin-off was as high as we hoped it might be.

3. Mr Pattie said that he had had discussions with Dr Schlecht and would be having further discussions with Dr Riesenhuber after the Plenary. Dr Schlecht and he had agreed on the need to press on with the completion of the internal market. They had similar positions on the Information Technology Directive and the introduction of OSI standards, which they believed should be voluntary. On public procurement they had agreed that the directive

/should

CONFIDENTIAL

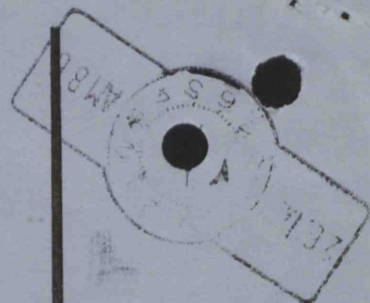
should not apply to all European utilities until further studies had been carried out. They had agreed that a Shipbuilding Directive was needed and that the aim should be to minimise government subsidies. They had noted that after ten years' work on the Fork-Lift Truck Directive there were still difficulties over reaching agreement on pedal layout. Dr Schlecht had said that the FRG would join the British in putting pressure on the Commission to ensure that Greece met its obligations on introducing VAT and removing export subsidies such as those which were causing the UK difficulties over cement. He and Dr Schlecht had discussed transport especially civil aviation and noted that the UK put more weight than the FRG on liberalisation of market forces. Their views on RACE differed but the problem could perhaps be dealt with if it was looked at in a longer-term context. They had noted that Airbus Industrie was about to start its marketing ^{drive} ~~draft~~ and that the results of this would enable the two governments to take the necessary decisions.

Dr Schlecht added that the two sides saw the need for further contact on the liberalisation of services especially insurance. He also said that he and Mr Pattie had agreed that it was important to press ahead with the new approach to harmonisation: mutual recognition of standards rather than regulating for uniformity.

4. Dr Kohl commented that the Prime Minister and he had agreed that it was important to continue the Airbus project. If Airbus disappeared the United States would have a monopoly of aircraft manufacture in the 1990's.

/The

CONFIDENTIAL



The new cost forecasts were however disturbing. Reliable figures were needed soon so that an intermediate balance could be drawn up.

5. Dr Wallmann said that he and Mr Waldegrave had begun by discussing large ~~xxxxx~~ combustion plants. Good progress had been made. They had agreed on the need for new plants to be equipped with desulph^yurisation equipment and hoped that agreement in Brussels would be forthcoming this year. A bilateral working party on transboundary air pollutants and control technologies ^{was} ~~is~~ to be established within the next week or two.

Wallmann welcomed the increasing number of unleaded petrol stations in the UK and Mr Waldegrave's support for his attempt to get authority to phase out leaded normal petrol. He and Mr Waldegrave had also emphasised the importance of measures for the protection of the North Sea to be discussed at next year's conference to be held in London. They had agreed a joint press communique.

Mr Waldegrave expressed appreciation of the warm relations that had developed between his department and Dr Wallmann's new Ministry. The relationship had been transformed and there was now a good understanding between the two countries in this field.

6. Dr Kohl closed the meeting at 1800.

CM