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From the Private Secretary

10 January 1989

PRIME MINISTER'S MEETING WITH THE FEDERAL GERMAN AMBASSADOR

The Prime Minister had a talk this morning with the new Federal German Ambassador.

The Prime Minister referred to the great dangers posed by Libya's chemical weapons facility. It was vital that no country or Government should give any help to the Libyans in this area. The Ambassador said that Chancellor Kohl was personally supervising the investigation into the alleged involvement of German firms. No hard evidence had yet been produced to sustain the allegation. But the German Cabinet would be meeting today to consider tightening regulations in this area.

The Prime Minister said that the results of the Conference on Chemical Weapons in Paris were likely to be modest. While welcoming the Soviet Union's intention to begin destroying its stocks of chemical weapons, one had to bear in mind that they had repeatedly misled the world about the scale of their holdings of these weapons. We should not place too much credence upon their claims now. The main purpose of Shevardnadze's speech had been to secure propaganda advantage.

The Prime Minister said that she remained very concerned about the prospect of a Human Rights Conference in Moscow. The United Kingdom would only attend such a conference if there were in practice major improvements in Soviet human rights performance between now and 1991. The Ambassador said that his Government shared this view.

The Ambassador referred to the signs of an approaching trade war between the European Community and the United States. His Government believed this must be avoided and both parties should return to the negotiating table. The Prime Minister commented that there had been no need to get into the situation in the first place. There was no scientific evidence to justify banning the hormones used by the Americans in producing beef.

The Ambassador referred to the recent visit to the United Kingdom of the German State Secretary for Employment. There

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had been a useful discussion of the European Community's social dimension. The Prime Minister said that it must be quite clear that the United Kingdom would not accept worker participation in management on the German model. We arranged these things differently: we did not want to encourage a "them" and "us" approach. We put the emphasis instead on encouraging employee share ownership. The Ambassador said that his Government believed that each country must be free to go its own way on this issue, with no central regulation from Brussels.

The Prime Minister referred to the great importance of early agreement in NATO on the comprehensive concept for defence and arms control. We could not afford further delay to decisions on the modernisation of NATO's nuclear weapons. She had been encouraged by her talk with Chancellor Kohl in Rhodes to believe that agreement could be reached which preserved NATO's vital defence interests. She recalled that Chancellor Kohl had been keen to have a NATO Summit well ahead of the European elections in June. She would wish to discuss this subject very fully with Chancellor Kohl at the forthcoming Anglo-German Summit. The Ambassador made no substantive comment beyond reiterating that Chancellor Kohl continued to hope for a NATO Summit before mid-May.

The Prime Minister said that she was very much looking forward to the bilateral summit in Frankfurt. The Ambassador said that Chancellor Kohl was also keen to make arrangements for the Prime Minister's subsequent private visit to his home. He wanted to show her personally something of the Rheinland-Pfalz and Heidelberg. The Prime Minister said that the invitation was very precious. She and Chancellor Kohl should meet as often as possible and stick together closely on the main international issues. The Ambassador said that Chancellor Kohl very much agreed and wanted to give the Anglo-German alliance a higher profile.

The Ambassador said that he had been asked to extend an invitation to the Prime Minister to address the CDU Economic Council in October. The Prime Minister said she would be glad to do so one day although October might be difficult, given that she had her own Party Conference then and would also have to travel to Malaysia for the Commonwealth Heads of Government Meeting. The Ambassador subsequently told me that the Economic Council would meet on 17 October. I think this almost certainly rules out the Prime Minister accepting. But you might like to ask HM Ambassador in Bonn to obtain further details.

I am copying this letter to Brian Hawtin (Ministry of Defence) and Trevor Woolley (Cabinet Office).

C. D. POWELL

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Foreign and Commonwealth Office

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