

Copy (Personal and not to be
referred to in correspondence)
Mr Nicholls PS/Am.
Sir M Alexander Mr Boyd.
Mr Weston

Copy Mr 24/ii
Mr Lewis
Mr Case

Ambassador

Mr Cadden & R.
26/ii

CONVERSATION WITH TELTSCHIK

1. On the way back from Frankfurt today, 13 February, I had an interesting conversation with Herr Teltschik in his car. Two topics are worth recording.

EMU, Central Bank etc

CH

SNF

3. The conversation here was much more discursive, with Teltschik obviously feeling his way with me. The concrete points which emerged were:-

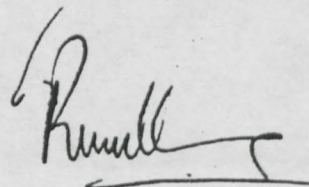
- a) the Financial Times interview "the headline is wrong. The important message is that Kohl does not feel that SNF modernisation should be made a test of German reliability";
- b) next discussion? Teltschik said that tomorrow's Coalition discussion is not about SNF but domestic issues. There will be further discussion on SNF but he could not say when. He said that this could happen before the Anglo-German Summit, but his further remarks make me think that the timetable is more extended than that (see (d) below);

/c)

- The FMOD message!
- c) he said that Genscher had telephoned the Chancellor this morning after this meeting with Baker and had said "the meeting went very well". Burt had also telephoned to say "Genscher told us something different from what we expected". Teltschik said he had not got to the bottom of this, but he feared that Genscher interpreted Baker's attitude as being one of American agreement with - or at least acceptance of - Genscher's position. Teltschik complained that the Americans were tough with the wrong people. It was Genscher who needed to be taken to task with, not Kohl. Genscher should be asked to explain how Western coupling could be maintained without ground based systems. He should be told that there was no hope of getting language on arms control in the Comprehensive Concept in the absence of willingness to accept a decision of principle about modernisation. Teltschik said he was beginning to suspect that the new US Administration's review of arms control policy might come up with unexpected answers (implying that Genscher's opposition might not be so inconvenient to them. He did not enlarge);
- d) Teltschik said the Chancellor would still try for a decision by the German Government. "We may get it but I am pessimistic". He went on "in the context of the Comprehensive Concept, the Chancellor would certainly be able and willing to accept statements about the continuing need for ground based systems and for their modernisation when necessary." One of the many present difficulties was the way in which everything had now narrowed down to decisions on the most difficult single element - SNF modernisation - without the rest of the wider context that the Comprehensive Concept had been meant to bring. I asked if this in effect meant that a decision on modernisation might only be possible at the NATO Summit itself. Teltschik nodded. I said that that would require extraordinary stage management and, at a minimum, the situation in Bonn being kept as open as possible so that inactivity was not interpreted as a victory for Genscher. Teltschik agreed, adding however that this was "not an official message from his Government". He was anxious that I should not think that the towel had been thrown in.

4. There was more colour and detail. One point that sticks in my mind was the observation that Genscher used the singularisation argument about the deployment of ground-based systems to great effect. "It would be harder for him to do this if the UK were to take some". Teltschik also repeated to me what I think he has said to you about his surprise at the public line taken by Lambsdorff in Washington. He was evidently upset by the soft line he suspects the Administration as having taken with FDP leaders, who had taken full advantage. "That is the FDP.... they let down Schmidt....".

*We should
at least be
able to trade
on our TBM
and US DCA
roles: but,
if we do,
Genscher will
switch arguments!*



Pauline Neville-Jones

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