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PRIME MINISTER

ANGLO-GERMAN SUMMIT ARRANGEMENTS

The Anglo-German Summit takes place on Friday. The drill is:

0900-1030: bilateral between you and Chancellor Kohl.

1030-1130: plenary session in the Cabinet Room, at which Ministers report.

1145-1215: joint Press Conference in the QEII Centre.

1215-1245: Chancellor Kohl gives separate interviews at QEII Centre.

1300-1430 : Lunch at No.10 for Ministers [N.B. Chancellor Kohl's son Peter will join this]

1445: Kohl departs.

Those attending the Summit are Foreign Ministers, Chancellor/Finance Minister, Defence Ministers and Trade and Industry Ministers.

General Approach

The background to this Summit is quite difficult. Kohl is riding the crest of a wave both in domestic politics, over unification and in his relations with the Americans. There is an unhealthy triumphalism and crowing in some of the unattributable comments by German officials, contrasting Germany's success with our current perceived problems. Both the Germans and the media will be looking for evidence that our position on the main issues is somehow weakened or constrained - and they won't find it! But a harmonious meeting with Kohl, with agreement on the main issues, will be the best background for your meeting with President Bush

CONFIDENTIAL

CONFIDENTIAL

- 2 -

in Bermuda. Chancellor Kohl's staff say that he wants the meeting to be a visible success, and will go out of his way to be his normal beaming, confident self.

Press Conference

There will be a lot of media interest in the meeting, most of it malign and with the intention of provoking divisions and contradictions between you and Kohl. I think it is in our interest too to play down differences and underline broad agreement on the way ahead on unification, NATO etc - and indeed there is a great deal of common ground.

I attach a line which you could use at the Press Conference on German unification, which I have agreed with Kohl's office (with one sentence still in dispute). He too will be guided by it. There are bound to be some sharp questions about your dislike of German unification, your Spiegel interview and so on. I hope you will bat them away good-naturedly, coming back always to the fact that we have achieved most of what we wanted at the turn of the year, in terms of ensuring that the external consequences of unification are thoroughly sorted out.

Agenda

The agreed agenda for the bilateral is:

- German unification, and the consequences for the Alliance and the European Community.
- developments in the Soviet Union and Eastern Europe, especially Lithuania.
- European Bank for Reconstruction and Development.
- EC matters, meaning EMU and German ideas on faster integration.
- South Africa.

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CONFIDENTIAL

- 7 -

quietly beginning to relax their measures. The Germans would have much more impact if they followed our example and relaxed some of the voluntary measures, when the South Africans lift the State of Emergency. Kohl will also want to discuss with you timings for possible meetings with Mandela.

You will find in the folder a fuller brief from the Foreign and Commonwealth Office and supporting papers.

C.D.P.

C. D. POWELL

28 March 1990

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Foreign and Commonwealth Office

London SW1A 2AH

27 March 1990

Dear Charles,

em 4h

Anglo-German Summit: Line on German Unification

Thank you for your revision ^{WITH CDP!} of the German redraft of the suggested joint line on German unification.

It seems fine subject to two suggestions:

- in the sixth indent, we should prefer if possible reinstate a reference to the effect that the North Atlantic Treaty will apply to the whole of Germany. But we recognise that this may prove very difficult for the Germans. We need not, therefore, hold out for it. We entirely agree, however, on the desirability of deleting the German reference to the fact that Alliance forces should not be moved forward to the present territory of the GDR;
- in the seventh indent, "significance" should read "signature", I think.

Yours,

Stephen Wall

(J S Wall)
Private Secretary

C D Powell Esq
10 Downing Street

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CONFIDENTIAL

9

enclosed with my letter of 22 March). We will let No 10 Press Office have some further background. We shall also let you have some material on an English language teaching initiative in the GDR.

Press Line

You will be working out a line with Hartmann today.

I am sending copies of this letter to John Gieve (HM Treasury), Martin Stanley (DTI), Simon Webb (MOD), and Sonia Phippard (Cabinet Office).

Yours,
Stephen Wall

(J S Wall)
Private Secretary

C D Powell Esq
10 Downing Street

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ANGLO-GERMAN SUMMIT, 29-30 MARCH

DRAFT PROGRAMME (with proposed amendment)

29 March

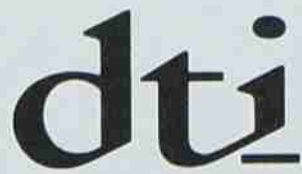
1830* Chancellor Kohl arrives at Cambridge Airport
Met by Prime Minister
c1845* Kohl and Prime Minister arrive at
St Catharine's College, Master's Lodge
c1935 Attend Reception given by the Master and
Fellows of St Catharine's College for
Königswinter Participants
2000 Dinner in Hall in Kohl's honour
2230 Leave St Catharine's College for London

30 March

0800 Federal German Ministers arrive at Northolt
Talks begin
0900 - Prime Minister/Kohl at No 10
0915 - Other Ministers separately
1030 Other Ministers join for Plenary at No 10
1130 Break
1145 Press Conference at QEII Centre, followed by
interviews with the Press
1300 for† Lunch at No 10
1315
1445† Kohl takes leave of Prime Minister at Downing
Street
1500 Kohl attends Round Table at Financial Times
1700 Kohl leaves Financial Times
pm Kohl departs from RAF Northolt. Seen off by
Special Representative

* original plans: ETA 1850, arrive St Catharine's 1905

† original plans: Lunch 1230 for 1245, Kohl leaves 1415



the department for Enterprise

Defensive [If asked what the Government intends to do to reduce the UK's trade deficit with the FRG]

- We cannot expect to maintain a trade balance with all our partners. I am convinced that increased inward investment will enable British industry to meet domestic demand and to win export business. This will bring about a significant improvement in our balance of payments. We have seen not only more inward investment from the FRG but last year total foreign direct investment in Britain reached record levels.

Foreign Sec.

A rough draft.

PRIME MINISTER'S COMMENTS AT A PRESS CONFERENCE

CD

FOR THE ANGLO-GERMAN SUMMIT

Just one point
on Arts 4 & 5

I'm not sure what
the Kohl line is -

for Genscher line see below

-p 3

LADIES AND GENTLEMEN,

CHANCELLOR KOHL AND I MET THIS MORNING FOR A LONG AND VERY CONSTRUCTIVE TALK, AFTER WHICH WE HAD A PLENARY MEETING, AT WHICH OTHER MINISTERS REPORTED ON THEIR SEPARATE DISCUSSIONS. I AM GRATEFUL TO CHANCELLOR KOHL AND HIS COLLEAGUES FOR COMING OVER TO LONDON.

I MIGHT SAY JUST A FEW WORDS ABOUT THE SUBJECTS WHICH WE DISCUSSED - AND I WOULD REMIND YOU THAT OUR RESPECTIVE VIEWS ON MANY OF THEM WERE SET OUT IN THE SPEECHES WHICH WE BOTH GAVE LAST NIGHT IN CAMBRIDGE.

OBVIOUSLY GERMAN UNIFICATION AND ITS CONSEQUENCES FOR GERMANY'S NEIGHBOURS AND PARTNERS WAS ONE OF THE MAIN ISSUES WHICH WE COVERED. ON THAT:

- I OF COURSE WELCOMED THE SUCCESSFUL HOLDING OF FREE AND DEMOCRATIC ELECTIONS IN THE GDR.

DISCUSSIONS WILL BE DIFFICULT BECAUSE WE CANNOT ACCEPT STAGES 2 AND 3 OF THE DELORS PLAN AS THEY STAND - AND THAT IS THE VIEW NOT JUST OF THE GOVERNMENT BUT OF A VERY LARGE MAJORITY IN OUR PARLIAMENT.

ON THE POLITICAL ASPECTS OF EUROPE, WE BOTH WANT TO SEE RELATIONS BETWEEN THE COMMUNITY AND EASTERN EUROPE STRENGTHENED. CHANCELLOR KOHL HAS SOME IDEAS FOR GIVING FURTHER POWERS TO THE EUROPEAN PARLIAMENT AND FOR STRENGTHENING EUROPEAN POLITICAL CO-OPERATION - THE LATTER IS OF COURSE AN AREA IN WHICH BRITAIN HAS ALWAYS TAKEN A LEAD.

WE COVERED A NUMBER OF REGIONAL ISSUES SUCH AS SOUTH AFRICA, ALTHOUGH THESE WERE DEALT WITH IN MORE DETAIL BY OUR FOREIGN MINISTERS.

WE CONFIRMED THAT THE BILATERAL RELATIONS BETWEEN BRITAIN AND GERMANY ARE VERY GOOD.

FINALLY, I AM PLEASED TO ANNOUNCE AN IMPORTANT ENGLISH
LANGUAGE TRAINING INITIATIVE FOR THE GDR FUNDED BY BRITAIN.
THERE IS A GREAT NEED FOR ENGLISH LANGUAGE SKILLS AS THE
GDR ADAPTS TO THE WESTERN ECONOMIC SYSTEM. WE ARE HAPPY
[+ SCHOLARSHIPS]
TO HELP MEET THIS NEED. THIS IS ONE OF MANY AREAS WHERE
BRITAIN AND BRITISH FIRMS HAVE MUCH TO OFFER IN THE RE-
BUILDING OF EAST GERMANY'S ECONOMY

NOW I WILL ASK CHANCELLOR KOHL TO GIVE YOU HIS VIEWS AND
THEN WE WILL TAKE QUESTIONS.

-A successful outcome to the Uruguay Round - the challenge to sustain the whole multilateral free trade system

- Three challenges on the internal agenda;

-Given the welcome prospect of German unification we need to devise the right arrangements to speed the integration of ex-GDR Germans into the Community;

-The Intergovernmental conference on monetary issues starts in December; we have to get the substance right, and that means proper advance preparation;

-The challenge of the Single Market; with 1992 looming, 1990 is a key year for completing the legislative programme

- Getting the right Community response to these six key challenges will greatly strengthen the Community. Getting the wrong ones would weaken it. But we need to get the right responses anyway.
- So let's continue, as we have since 1983, to make a reality of the Stuttgart Declaration in our actions. Words matter, but actions matter still more.

—the introduction of legal instruments which can strengthen co-operation among the judicial authorities of the Member States, notably in civil and commercial matters, and which can thereby make the administration of justice more efficient and less cumbersome;

- (*) co-operation in the area of the suppression of infringements of Community law;
- (*) identification of areas of criminal and procedural law in which co-operation between Member States might be desirable.

4. FINAL PROVISIONS

4.1 The Heads of State or Government stress the link between membership of the European Communities and participation in the activities described above.

4.2 European Union is being achieved by deepening and broadening the scope of European activities so that they coherently cover, albeit on a variety of legal bases, a growing proportion of Member States' mutual relations and of their external relations.

4.3 (*) The Heads of State or Government will subject this Declaration to a general review as soon as the progress achieved towards European unification justifies such action, but not later than five years from signature of the Declaration.

In the light of the results of this review they will decide whether the progress achieved should be incorporated in a Treaty on European Union.

The Opinion of the European Parliament will be sought on this subject.

(*) Danish reservations on paragraphs 1.4.2, 2.3.5, 2.3.6, 3.1.1, 3.4.3 and 4.3
cf. Greek declarations in the minutes with reference to paragraphs 2.2.2 and 2.2.3.

PRESS CONFERENCE

Possible line
for press conference

NUCLEAR WEAPONS IN GERMANY

- NATO's position (Comprehensive Concept) is that for the foreseeable future there is no alternative to the strategy of deterrence: and this needs to be based on an appropriate mix of adequate and effective nuclear and conventional forces.
- No question of NATO nuclear weapons being based only in Germany. Britain too has always played her part in this respect, and will go on doing so.
- Precise numbers and types of nuclear weapons can of course change. NATO has already made substantial reductions in recent years. And the United States has made plain its willingness to enter into negotiations for partial reductions of shorter range ground-based missiles once the CFE Treaty is being implemented.

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LEUTWILER MEMORANDUM

- We believe that Mandela's release is in South Africa's own interests.
- In our assessment it would create a new and improved climate of benefit to South Africa internally and in her relations with the outside world.
- It would also reinforce our joint stand against sanctions and other restrictive measures.
- And it would make it easier for us to play a helpful role over the problems facing South Africa in its dealings with the banks over bearer bonds.
- Looked at realistically it would not on its own lead to the dismantling of any sanctions.
- But if the South African Government were to build on Mandela's release to launch a dialogue between all political groups in South Africa, we would then see what could be done to meet South Africa's concerns on sanctions (although we could not give advance assurances affecting others).

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Oberbürgermeister of Munich. His chances of success are not rated high. His performance at the Economic Cooperation Meeting was workmanlike if unspectacular. by contrast, his right-wing views have occasionally surfaced in comments as Government Spokesman which have led to controversy and even calls for his resignation.

Eloquent and popular socially. With his trim goatee bear and bow tie, Klein (known as Johnny) stands out from the crowd on the Bonn political scene. Catholic, married with three children. Speaks excellent English and well disposed to the UK.

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circulation instability. He did not return to work until mid-January 1978. In March 1989 a prostate operation kept him from his desk for nearly a month. In the summer he suffered a heart attack, and although he seems to have recovered well, the enormous strain of his working habits has taken its toll and he looks less than healthy.

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stature grew accordingly. However, after an unhappy time between 1987 and 1989, he was moved to the Defence Ministry in Kohl's cabinet reshuffle of April 1989, where he has earned respect for his thoughtful measured approach.

Protestant. Married. One daughter and son. He speaks good English.

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