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PREM 19/1245/2

Part 2 of 2

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PART 8

CONFIDENTIAL

CHANCELLOR KOHL'S VISIT TO UK, APRIL '83,
AND SUBSEQUENT UK VISITS

GERMANY

PART 1: MAY 1979

PART 8: OCTOBER '83

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R. Porman
PREM team.

7 May 13

REPORT ON RELATIONS BETWEEN THE
UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND (UK)
AND THE
FEDERAL REPUBLIC OF GERMANY (FRG)

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Introduction

1. At the conclusion of their summit (the tenth in the series), on 18 November 1981, the Prime Minister and Chancellor Schmidt issued a joint press statement on Anglo German relations. This declaration calls for a progress report to a future summit. In the course of preparations for the summit held in London on 21-22 April 1983, it was agreed that work should be put in hand. Separate reports should be prepared, and exchanged. Joint conclusions would be reached and submitted to Heads of Government at the 15th Summit on 2 May 1984.

2. In drawing up this report, officials have charted the extensive Anglo-German contacts in many areas. They have looked for ways of strengthening these contacts, bearing in mind the limits imposed by existing constraints on public expenditure.

THE BILATERAL RELATIONSHIP

1. The UK and the FRG are connected by the closest bilateral ties which reflect common political, security and economic interests. The multiplicity of these interests is shown by the number of multilateral fora in which the UK and the FRG work together. Besides the EC and NATO, these include the UN, WEU, the Council of Europe, the IMF, the GATT, OECD the Economic Summit, the Namibia Contact Group and the Euro-Arab Dialogue.

2. These close ties express the essential nature of Anglo-German cooperation, which is that of partners and allies: a common effort within the larger grouping of the Economic Community to solve the problems that create a strong, confident and outward-looking Europe; and a common effort within the North Atlantic Alliance to defend our shared values.

3. The deployment of British forces in Germany, Britain's commitment to Berlin and responsibilities for Germany as a whole are a unique feature of the relationship, creating mutual bonds through shared security burdens, and giving rise to a multiplicity of contacts between the British and German peoples.

4. The closeness and importance of the bilateral relationship is recognised in the institutionalised bilateral summits, which take place twice a year, usually involving foreign economic, trade, defence and (sometimes) agriculture ministers besides Heads of Government. The UK holds such summits also with

France and Italy.

5. The Anglo-German parliamentary groups of each country play an important part in the bilateral relationship. They were reformed after elections in 1983, and a conference (in Germany) is overdue. Visits by Select Committees enquiring into particular topics are a particularly useful feature (for example in 1984 by Landtag delegations investigating British experience and plans for cable and satellite TV). There seem to be more British visits to Germany than vice versa.

6. Other institutions which play an important part in fostering better understanding and closer links include: the DEG's annual Koenigswinter Conferences; the Anglo-German Foundation for the Study of Industrial Society, (see chapter on Economic and Social Policy) and the Anglo-German Association.

7. In the area of foreign policy, apart from regular contact in EC political cooperation, the two countries maintain very full and frequent contacts between Foreign Ministries at a variety of levels and over a wide range of subjects. Details are attached at Annex I.

DEFENCE AND SECURITY

I. The Political Framework

1. Defence is possibly the single most important feature of the relationship between the UK and the FRG.

2. The UK and the FRG are allies in NATO and the WEU. They also work closely together, bilaterally and multi-laterally, in all arms control and disarmament fora, such as the CDE, MBFR, and the CD. Both have US nuclear weapons (including INF) stationed on their soil. In addition, the independent British nuclear deterrent is indirectly relevant to the FRG's security through its commitment to NATO, and because an additional decision-making centre complicates Soviet calculations. As major international trading economies, both countries have a common interest in out-of-area threats to eg trading routes.

II. British Forces Germany

3. Under the modified Brussels Treaty the UK is committed to maintaining forces on the Continent of Europe. This is reflected in the deployment of 55,000 Army and about 11,000 RAF personnel in the FRG. These deployments are consistent with the UK's commitment to the NATO doctrine of forward defence. Britain also has responsibilities as a guarantor of Berlin, where there are a further 3,000 troops and a British Military Government.

4. The presence of 67,000 Servicemen and their dependents in Germany is a major bond. This offers tremendous potential for the development of mutual understanding. The relationship with the Federal authorities at all levels is managed by the Joint Services Liaison Office. Details are given at Annex 2.

III Contacts

5. Contacts between the three Services of each country are extremely close. Defence Ministers and their junior Ministers meet regularly, several times a year. Chiefs of Defence Staff meet about twice a year. Other Service Chiefs meet ad hoc. At official level planning talks between each of the Service, and also between Pol/Mil experts, happen once or twice a year.

6. National Armament Directors meet bilaterally twice a year, and additionally in multilateral fora. There are very frequent contacts by their staffs and by the related single service operational requirements staffs.

7. There is considerable exchange of training at Staff Colleges. The RN have exchange officers in the Federal Marines, and there are Army and Air Force liaison and exchange officers in a variety of German service institutions.

8. Members of the Bundeswehr regularly train in the UK, eg sea training at Portland; the Bundeswehr have a tank gunnery training facility at Castlemartin; and there is joint manning of the Tornado conversion unit at Cottesmore.

9. Joint exercising is conducted in all three Services. A Bundeswehr brigade will be attached to Exercise Lionheart.

10. There is close contact between the military intelligence organisations in both countries.

IV. Equipment Collaboration

11. Cooperation on defence equipment projects is substantial. Tornado is the largest current example. Both countries are now participating in the preparatory work for the future European fighter aircraft (FEFA). But significant constraints on increased bilateral equipment cooperation are imposed by national industrial and military pressures

B. Problem Areas

1. Increasing political opposition, on environmental grounds to the inevitable consequences of a military presence (noise from training, from low flying) may cause operational difficulties to BFG (as for all NATO troops in the FRG).

2. Significant constraints on increased equipment cooperation are imposed by national industrial pressures and short term economic considerations, and by differing operational requirements.

3. The number of exchange personnel is limited by budgetary factors; the charges for training an officer are higher in the UK than in the FRG.

TRADE. ECONOMIC AND SOCIAL POLICY

1. Both the British and German economies are typical examples of mature industrial societies. The industrial and commercial links between the two countries are vast and cannot be reviewed in any detail here. But the thickness of the economic texture binding the two countries together is illustrated by the £15½ billion of trade between them and by the fact that there are numerous British firms established in the Federal Republic and German firms established in the United Kingdom. The FRG is the UK's second most important market.
2. In certain respects the relationship of the two economies is complementary; in other respects it is competitive. Both countries have well developed agricultural, manufacturing and services sectors. In each of these sectors there are areas where one or other economy has a comparative advantage but the overall picture is characterised by a continuing German pre-eminence in most areas of manufacturing.
3. Both countries are committed through their membership of the European Community to closer integration. It follows from this that the bilateral instruments should complement the mechanisms of the European Community furthering that aim.
4. The trading and industrial links are fostered by, on the one hand, the German Chamber of Commerce and Industry in London and, on the other, by the commercial sections of British diplomatic and consular Posts and by the British Chamber of Commerce in Germany (headquarters in Cologne). Appended in two

Annexes, 3 and 4, are lists of the activities promoting Anglo/German relations of the British Chamber and the activities, under the same head of the Department of Trade and Industry.

5. There is considerable scope for Anglo/German cooperation in the fields of trade, industry, economic, financial, aid, and social policy arising from their common membership of a number of multilateral organisations and groupings, viz the European Community, the OECD, the Group of Five, the Summit 7 and the Group of Ten. In addition, there is a good deal of frequent ad hoc consultation on current issues between departments on both sides viz:

HM Treasury - Ministry of Finance;

DTI - Ministry of Economics;

FCO (ODA) - Ministry of Economic Cooperation;

Department of Energy - Ministry of Economy;

Department of Transport - Ministry of Transport;

MAFF - Ministry of Agriculture;

Office of Fair Trading - Kartellamt;

and of course between the two Central Banks.

In addition, the official Anglo/German Economic Committee meets once a year.

6. The frequency and closeness of consultation and collaboration in these various fora and contacts is excellent. That this is so results largely from long established common

traditions and attitudes and methods on both sides, and also from the similarity of aims and philosophies informing the economic strategies of the two governments; the Federal Government being committed to the concept of the Sozialmarktwirtschaft and the British Government to the concept of the mixed economy. But much of the consultation is directed at "third problems" rather than to closer integration between the two countries and economies, though that aim is often, indirectly, fostered.

The Anglo-German Foundation for the Study of Industrial Society

7. The Foundation was established by intergovernmental agreement in 1973 and incorporated in the UK by Royal Charter for a period of 12 years. It is supported by annual grants from both Governments, and derives further income from the £2 million with which it was originally endowed by the German Government, and small sums from sale of publications. The AGF's objectives are to promote the study and deepen the understanding of modern industrial society, and to foster education and knowledge in Britain and Germany in the fields of science, technology, commerce, economics, sociology and the arts with a view to promoting and stimulating the development of industrial society in a manner most beneficial to the community. The Foundation is working well.

Health and Social Security

8. There are occasional ministerial contacts in this field and frequent ad hoc meetings on specialised subjects. There are

frequent contacts in the European Community, the Council of Europe, the WHO and ILO.

Problems

9. The DHSS have drawn attention to difficulties over German Health Care and Social Security Regulations as they affect migrant workers, and occasional difficulties over students and temporary visitors. The DHSS believe the difficulty arises over the understandable German wish to minimise the financial pressure on their insurance funds. The DHSS have arranged talks with the responsible authorities about this.

Employment and Social Affairs

10. The British Trade Unions contributed to the revival of trades union activity in Germany after the war. German arrangements, whereby workers belong to the single union that covers their industry have worked well, and contributed to a situation where the wages, working conditions and social security benefits available to German working people are the envy of most other countries. There has recently been an increase in the frequency and range of bilateral ministerial contacts: and there are frequent ad hoc contacts at official level, both bilaterally and through the EC and ILO. British and German employers' organisations maintain close and regular contacts, while relations between the major trade union organisations are closer and warmer than they have been for some years. Nonetheless, there is a need to ensure that ministerial contacts in particular are renewed at regular

intervals.

11. A number of recent ministerial and official discussions have been concerned with establishing a common approach so far as practicable to issues arising in the context of draft EC proposals such as the Vredeling directive and the draft directive on industrial noise; and have had useful results. In addition there is scope for further developing official contacts through, for example, greater exchange of information and experience about training for work, measures to combat unemployment; and for adapting to changes in the nature and volume of demand for labour.

12. A note by the Department of Employment is attached at Annex 5.

SCIENTIFIC RESEARCH AND TECHNOLOGY

Anglo-German relations in science and technology are very deep indeed. Interaction in this field has been a prominent feature of the wider European cultural scene since at least the 17th century, from the Newton/Leibniz calculus debate to post-war British assistance to the German nuclear power industry. Historically, scientists cooperated because they knew that together they could achieve more than working in isolation. In the contemporary world much research and development has become too costly for individual European countries to consider alone. Present day Anglo-German relations in science and technology can be divided into 3 broad categories :

- (i) - University collaboration and exchange in pure science.
- (ii) - Government supported programmes in pure and applied science.
- (iii) - Industrial collaboration in applied science.

In all these areas British scientists find a great affinity with their German colleagues' approach to problems and that there is little in the way of a language barrier (English is the international language of science).

University Collaboration

Virtually every British university department has some

interaction with German universities and vice versa. Exchanges are funded from respective national sources, for example, the Research Councils in the UK and the Deutsche Forschungsgemeinschaft in the FRG. The effect of these exchanges is that most professors in senior posts in the FRG have spent at least some of their careers working in the UK and virtually all have attended at least one conference or seminar in the UK. Scientists are ready to work in English because the language seems peculiarly suited to describing experimental and theoretical science.

Collaboration in Government-Supported Programmes

This involves the exchange of work and results between national facilities, Anglo-German cooperation in large international facilities, and cooperation in research and development associated with broad government objectives in both countries. A note by the Department of Education and Science (DES) on Anglo-German official scientific contacts is attached at Annex 6. The DES have drawn attention to the following important areas of cooperation:

- (i) Natural Environmental Research Council (NERC) -
Climatology, Oceanography, Wave Research, Remote Sensing and Ocean Circulation Studies, Antarctic Research, Research Ship Cruising;
- (ii) Science and Engineering Research Council (SERC) -
"small" science and engineering;
- (iii) Medical Research Council (MRC) contact in
international organisations;

Economic and Social Research Council (ESRC) - Bilateral agreement with the Deutsche Forschungsgemeinschaft (DFG)...

Industrial Collaboration in Applied Science

The FRG is the UK's second most important market overall. This is equally true (or perhaps even more so) of science and technology. European firms know they have to work together in the market place if they are to meet the US and Japanese challenge. The EC 'Esprit' programme recognises this.

THE PUBLIC SERVICE: OFFICIAL CONTACTS

1. The various contacts between Whitehall Departments and the corresponding Federal German Ministries as outlined at Annex 7. The overall picture is one of frequent and constructive contacts in many areas of work and at different levels. Once personal relationships have been established, many officials maintain telephone contact with their opposite numbers.

2. The Civil Service College and the Federal Academy for Public Administration (Bundesakademie für Öffentliche Verwaltung) run several courses a year in each direction for officials from one country to visit and learn about the other. The courses for British officials were until recently conducted entirely in German, but as the supply of interested German-speaking officials has dried up it has become necessary to introduce English speaking courses as well. The courses are popular, and valued by both sides.

3. The same two organisations have arranged a number of exchanges in recent years under which young officials from one country have been attached to a Government Department in the other for periods of up to six months. There have so far been British officials sent to the FRG on such attachments, and German officials in London. An increase in the number of such attachments would greatly help to improve the mutual understanding of the two bureaucracies; but there are problems, including:

a) the small number of British officials with an

adequate working knowledge of German;

- b) the decentralised nature of German bureaucracy, which means that some Whitehall officials have their counterparts in the Laender, not in Bonn;
- c) the fact that some Whitehall Departments are less ready to receive attachments than their German counterparts; the value of some attachments by German officials has been reduced because so much information has had to be withheld.

The 1984 annual conference of the unofficial association, European Young Administrators will be held in Heidelberg. In 1985 it will be held in the UK. These activities are a useful informal contribution to the work of the Civil Service College and the Bundesakademie.

LEGAL AFFAIRS

1. The Home Office report fairly frequent contacts with the Germans in areas within their field of responsibility and have drawn attention to:
 - (i) immigration;
 - (ii) broadcasting;
 - (iii) police work including counter terrorism;
 - (iv) limited contact in fire matters.

2. The Home Office Police Staff College and the Fire Service College maintain contacts with equivalent German institutions.

3. The Home Secretary has invited the Federal Minister of the Interior to visit Britain this year.

4. There have been occasional inter-governmental discussions (last occasion in 1976) with German lawyers on matters of mutual interest. The Lord Chancellor's department takes the lead in this country: The Ministry of Justice in Bonn.

5. There is an association of English and German lawyers (The Anglo-German Jurists Association) which meets periodically to discuss matters of mutual interest, in particular conflict of laws (for example, over adoption of children, or enforcement of maintenance payments).

EDUCATION

1. This chapter deals with education matters that in England and Wales are the responsibility of the Department of Education and Science (DES). A report by the DES is attached at Annex 8. This chapter and the DES report should be read in conjunction with the chapters on cultural relations and exchange programmes.

2. The DES has designated the FRG as an analogue country, that is one where the education system is of specific interest and one which, the DES believe, they can study to the advantage of education in Britain.

3. The autonomy of the Länder in Germany (and of Local Education Authorities in the UK) makes it difficult for either country to apply lessons learned in the other. But the DES find their contacts with the Federal Ministry of Education in Bonn and the Anglo-German Mixed Commission (see chapter on cultural relations) increasingly useful. There are regular contacts at official level between the two Ministries bilaterally and within the framework of the European Community. There are also of course extensive contacts between the British and German universities. The German Historical Institute in London plays a valuable role in contributing to a better understanding of the past.

4. The DES are keen to expand their educational contacts with the FRG in the following areas:

(i) information technology;

- (ii) links between the universities and industry;
- (iii) the school curriculum and in particular the question of how to raise standards.

5. The DES and British Council have drawn attention to the well established arrangements for German students to teach as assistants in British schools and British students and teachers to teach in German schools. These arrangements are valuable and should be encouraged. There is a practical difficulty in that English is the first foreign language in most German schools and knowledge of English is an essential qualification for many jobs. In Britain, however, German is not studied extensively, and there are few jobs where a knowledge of German is required. The limited extend to which German is studied in British schools is a matter for concern.

CULTURAL RELATIONS

1. There is a lively and rich cultural exchange between the two countries. The main instrument for this on the British side is the British Council, which aims, through exchanges, library work and promotion of the arts, to inform about all aspects of life in Britain outside the fields of politics, defence and trade. Cultural relations have developed within the framework of the Cultural Convention of 1958 which is applied by a Mixed Commission which meets biennially. The UK and the FRG cooperate also in the Council of Europe and UNESCO (see also Information chapter). A report by the British Council is attached at Annex 9.

2. The current bilateral problems are:

(i) the declining importance of German in British schools (see also education chapter);

(ii) shortage of funds for youth exchanges and, because of the low priority attached to German, limited interest.

INFORMATION AND THE MEDIA

1. The serious national press of each country reports events in the other extensively and fairly. Stories about the Royal Family figure extensively in the German popular press. The German press corps in London is much larger than the British press corps in the Federal Republic. But this largely reflects the decentralised nature of the German press, and the British corps makes up in quality what it lacks in quantity.
2. A unique development in recent years has been the simultaneous publication of the Financial Times in London and Frankfurt. The Frankfurt edition carries a substantial amount of German news and is already a part of the German media scene.
3. The situation in the broadcast media is less balanced. This is seen most obviously in television, where both German national broadcasting organisations (ARD and ZDF) have resident correspondents in London while the BBC and ITV have none (for television) in Germany: the BBC cover from Brussels and ITV from London. This means that Germany tends to figure on British television only when there is something sensational to report, while German television is able to show a broader picture. German broadcasters buy substantially more TV programmes and other material from the UK than do the BBC and ITV from German companies. Most of these are dubbed, but occasionally programmes are transmitted in English.

4. Information talks at senior official level take place roughly once a year, in Bonn and London alternately. Both sides find these exchanges useful and wish them to continue. The exchanges provide a framework for subsequent ad hoc cooperation.

Problem Areas

5. The relatively sparse coverage of the Federal Republic on British radio and TV, compared with the other way round. It may be attributed to:

- i) the British TV companies' relative shortage of funds and tendency to accord high priority to other countries;
- ii) the availability of English language programmes from the US, which can be used without dubbing or sub-titling.

TOURISM, EXCHANGES, MEETINGS

Tourism

1. Tourism, exchanges, meetings both informal and within institutions designed to encourage better understanding, all play an important role in ensuring that the next generation of British and German people will be aware of each other's concerns and societies, and capable of cooperating better with each other.
2. The FRG is not currently a mass market destination for British tourists although the attractions of areas such as the Black Forest, the German Alps, and the Bavarian Forest ought to be better known, as should the fact that food and accommodation outside the big hotels represent excellent value for money (and are cheap compared with this country). Germany (which cannot be packaged like Spain) continues to attract tourists with special interests, in music, art, architecture or beer (Oktoberfest). Germany is best appreciated by the independent tourist, who has some knowledge of the language. The low priority accorded to German in British schools means that many fewer young people are taken on school trips compared with France, even though the British Council spend more on youth exchanges with Germany than with any other country.
3. The UK is very popular with German tourists, especially young people. The British Tourist Authority in Frankfurt coordinate efforts in the FRG to keep up the flow of visitors.

Town twinning

4. Anglo-German twinings were the first to develop after the last war and some 360 partnerships are currently active. A significant number of German towns are waiting to be twinned with a British partner. Progress is slow, given the shortage of British funds and the fact that the majority of German towns seeking a British twin wish to do so in the south of England (primarily to save expense on travel).

Koenigswinter Conference

5. These important conferences, originally the private venture of Lilo Milchsack, the wife of a Düsseldorf businessman, encouraged by Sir Robert Birley (education adviser to the British High Commission at the time), are probably the best known Anglo-German institution. The weakness, if there is one, may be that those who participate are already aware of the utility of contact and dialogue between Britain and Germany. There is also a balance to be struck between the continuing interest of those who have been involved since the conferences started in 1950 and the need to introduce new faces. The young Koenigswinter Conference, held only in Berlin, attracts some financial support under the British Council's youth exchange programme, although (because it is always held in Berlin and because many of the participants are over age), it is not a youth exchange. "Young Koenigswinter" is run by the Berlin based Anglo-German Youth Exchange Council (DBJ), which is also subsidised by the Federal Government in Bonn.

Deutsch-Britischer Jugendaustausch (DBJ)

6. It will be for the German report to evaluate the work of this organisation. It organises and sponsors many Anglo-German youth exchanges and has been particularly successful with groups of young workers and apprentices.

The Anglo-German Association (AGA)

7. The AGA was established after the war in Britain by leading personalities concerned to restore relations between the two countries. It has a programme of activities in London (highlight annual dinner dance) and an annual conference in which regional AGA and other "affiliated societies" such as the association of German teachers take part. The AGA's original purpose has been accomplished but it still has a useful role as a central office which keeps track of Anglo-German activities.

CONCLUSIONS

The report brings out both the exemplary closeness of inter-governmental relations, and the extent and depth of official and non-official contacts between Britain and the FRG. Official contacts are very extensive and in most areas are meeting the needs of Ministries on each side. We have the impression however that there is still a need for greater understanding of each other's system of government, not least by the younger generation. There is, therefore, a continuing need to maintain, and where possible, develop exchanges across the board. This should lead over time to a wider knowledge of Germany and German institutions and systems in the UK, both within Government, business and industry, and the professions. The various unofficial and semi-official institutions such as Koenigswinter and the Anglo-German Foundation, whose work is described in the report, make an invaluable contribution here. We need to ensure that these organisations renew themselves and capture the imagination of the younger generation.

We have considered in the light of this report whether any new machinery is required to manage relations, taking account of experience in managing the Anglo-French, Franco-German and other bilateral relationships. We have concluded that our bilateral relationship has its own dynamic, and that there is not sufficient reason to establish new bureaucratic machinery. Where problems arise it is usually either

because money is not available for all the exchanges that the two sides would like to see, or because insufficient use is being made of the existing machinery.

The underlying problem remains how to increase mutual understanding and knowledge. Popular attitudes in Britain towards the Germans have become much more favourable in the past 25 years, as memories and attitudes inherited from the war period have faded. The British have come to view the FRG, as it is, as a friendly neighbour and ally: a recent opinion poll showed that the British regarded the West Germans as their best friends in Europe. Despite this favourable picture, there remains a problem in Britain; it can be summed up as insufficient knowledge of and interest in Germany. This is true both of the adult generation which may have retained an outdated picture of Germany, and the younger generation which may not have had the opportunity or inclination to visit the country or learn German. The difficulties in finding British civil servants to take up secondments offered in the German Administration suggest that the difficulty is present in Whitehall too.

Solving such a deep-rooted cultural problem will be a long-term enterprise. A deep knowledge of German history, language, culture, and society is always likely to be the preserve of a minority. Nevertheless it should be possible to spread knowledge more widely than at present. But the progress that has been made recently has been remarkable by any historical standard, and

certainly was not foreseen in 1945. This augurs well for the future.

The following conclusions relate to specific areas:

1. Industrial Policy

The Department of Trade and Industry would welcome regular official bilateral contacts on steel, particularly between European Community Steel Councils. More frequent bilateral discussions on ship building policy would also be desirable. The DTI would welcome exploratory discussions with the Germans in the field of new materials, in the context of the BRITE programme.

The work of the Anglo-German Foundation for the Study of Industrial Society should be encouraged and within the terms of its Royal Charter made as responsive as possible to the needs of Government and industry.

2. Health

The Department of Health and Social Security would welcome contacts with the appropriate German authorities responsible for licensing pharmaceutical manufacture.

3. Employment and Social Affairs

The Department of Employment considers that there is scope for developing further official contacts and exchanges of information and experience on training for

work, measures to combat unemployment, and adapting to changes in the nature and volume of the demand for labour. The Manpower Services Commission have suggested that the Anglo-German Foundation for the study of industrial society could be used more in this connection.

4. Energy

The Department of Energy would welcome Anglo-German workshops on energy conservation and renewable energy resources.

5. Science

The Department of Education and Science would welcome further cooperation with the FRG on:

- (i) airborne remote sensing of ocean colour and multi-spectral infrared scanning;
- (ii) the development of the UK spallation neutron source as a European facility;
- (iii) (Versailles Working Group) research on the United States superconducting supercollider and the large electron positron accelerator tunnel at CERN;
- (iv) (Versailles Working Group) solar systems to embrace NASA/EST interests;
- (v) wind powered energy;
- (vi) remote sensing proposals concerning radar altimetry.

6. Education and Culture

In view of the extensive nature of educational and cultural contacts, and in order to enhance bilateral cooperation in this area there shall be regular meeting of the cultural directors as well as the biennial meetings of the Anglo-German the Mixed Commission.

The Department of Education and Science would like to explore possible new initiatives to facilitate the exchange of information and experience on areas of Government priority, for example, raising levels of achievement at 16 plus. The method would be to examine curriculum and examination methods with a view to considering how these could be used to broaden pupils' skills and knowledge and make them more relevant to everyday life. It would also be valuable to share the experience of the education systems in the UK and the FRG in preparing for and maintaining the economic recovery. Every effort should be made to maintain the level of interest in Germany and the German language in British schools.

7. Information and the Media

The annual official information talks should be used to identify common problems and devise common strategies to deal with them.

The BBC External Services and Deutsche Welle could be encouraged to cooperate further in combating the growing

● cost of maintaining audibility around the world. The existing joint transmitter on Antigua provides an example of potentially advantageous mutual cooperation which should be explored further.

Both countries stand at the edge of the cable revolution. BBC TV is already piped to Belgium and German viewers' interest in BFBS TV transmissions makes it clear that there is a substantial potential audience for English TV broadcasts in Germany. Programme providers and cable companies in both countries should be encouraged to examine the possibilities of extending their services in the two countries.

8. Links between Municipalities

The report draws attention to the strength of traditional town links between the UK and the FRG. The DOE have suggested that the FRG might like to join as a full member of the International Town Development Association (which is concerned mainly with new towns).

9. Links between the British Forces in Germany and the German community

The innovative pilot scheme in Bielefeld which seeks to bring together a cross-section of the military and civilian community when they have a shared interest or live alongside one another could be adopted elsewhere as a means of strengthening links between the British Forces and the German community.

ANNEX I

ANGLO-GERMAN CONTACTS: FCO/AUSWAERTIGES AMT

Aid Policy Dept	Annual talks at Ministerial level. Official contacts through multinational fora.
African Depts (Central Africa Dept and East African Dept)	Occasional talks at DUS/AUS level. Official contacts through EC, NATO, Namibia contact group
Communications Operations	Six-monthly EC talks: further ad hoc meetings
Communications Planning Staff	Meetings as necessary
Consular Dept	Ad hoc meetings as necessary
Cultural Relations Dept	Biennial meetings of UK/Federal German Mixed Commission. Official contacts through EC, Council of Europe, Euro-Arab dialogue, UNESCO. Ad hoc consultations on a wide range of bilateral and international topics
Defence Dept	Six-monthly Foreign Ministerial meeting at North Atlantic Council. Six-monthly politico-military talks at official level Six-monthly trilateral meeting (US/FRG/UK) before MBFR rounds. Regular multilateral contact through NATO, MBFR and CDE
East European Dept	Regular official contact through East European Working Group of the Ten. Bilateral talks as required.
Energy Science and Space Dept	Annual talks at PUS level on energy research and technology (with Dept of Energy and DTI).
Economic Service (International Division)	Annual Anglo-German Economic Committee meeting; occasional official contacts on ad hoc basis.
European Community Dept (External)	Ad hoc meetings between Aid Ministers. Regular bilateral talks on Lomé and development issues and official contacts in multilateral fora; regular contacts through EC working groups and PoCo.
European Community Dept (Internal)	Three monthly Ministerial meeting on political co-operation. and Working Group meetings.

Far Eastern Dept } South Asian Dept } South East Asian Dept}	Official contact through six-weekly EC/Asia working group meetings.
Information Dept	Annual bilateral information talks at official level.
Information Technology Department	Ad hoc discussions as necessary.
Legal Advisers	Meetings as necessary.
Library and Records Dept	Six-monthly official talks and regular correspondence.
Maritime, Aviation and Shipping Dept	Regular official meetings on Airbus, Counter Terrorism, UNLOSC.
Mexico and Central America Dept	Bilateral exchanges in margins of EC Working Group meetings.
Middle East Dept	No formalised arrangements; Iran/Iraq a frequent topic in Ministerial meetings.
Migration and Visa Dept	Official contact as necessary.
Near-East and North African Dept	Regular contact through EC working group meetings.
Nuclear Energy Dept	Six-monthly bilateral meetings at AUS level Official contact through IAEA, PoCo, URENCO
Planning Staff	Regular meetings at official level, plus contact at international conferences.
Southern African Dept	Bilateral contacts as necessary
Southern European Dept	Four-monthly talks on Cyprus at official level.
South Pacific Dept	Occasional contact through Heads of Mission EC PoCo meetings.
Trade Relations and Export Dept	Frequent official contact through NATO Economic Committee, UN Economic Commission for Europe, COCOM, Euro-Arab Dialogue meetings on Investment Promotion and Protection Agreements.
Training	Annual 'Bund' Civil Service course.
United Nations Dept	Annual bilateral talks at AUS level.

Western European Dept

Six-monthly Head of Govt and Ministerial bilaterals (Anglo-German Summit); further bilaterals on ad hoc basis in the margins of EC, NATO and other meetings.

Frequent meetings of Ministers of State in margins of multilateral fora; and bilateral visits as required.

Official talks at PUS level 1-2 times a year; frequent talks at official level as required.

Western European Union; annual Ministerial meeting; monthly meetings of WEU Council.

Council of Europe six-monthly meeting of Committee of Ministers; monthly Ambassadorial meetings.

West Indian and Atlantic
Dept

Occasional meetings at official level.

ANNEX 2

ANGLO-GERMAN RELATIONSHIPS WITHIN BFG

INTRODUCTION

1. The British Forces in Germany recognise clearly the need to establish and maintain a favourable climate of opinion in the host nation, and to foster good community relations. Indeed, without such good relations, it would be difficult to carry out their task in Germany, in particular in the face of increasing public concern over environmental issues.

2. For that reason BFG, making full use of the Joint Services Liaison Organisation (JSLO), encourage every sort of contact - social, cultural, sporting and military - between the two communities; considerable effort in terms of both money and manpower is expended on a wide variety of projects.

SPECIFIC ANGLO-GERMAN LINKS

3. BFG are concentrated within the States of North Rhine Westphalia and Lower Saxony. The following links have been established in these areas:

a. Official. Personal relationships have been developed by JSLO at the State, regional government (Regierung-spräsident), county, and municipal levels. These relations are important at Garrison level where the Services Liaison Officer (SLO) is regarded by both the

German and British military as the key figure in bringing the two communities together.

b. Committees. Official Anglo-German committees are organised in many Garrison towns and RAF stations. They deal with a range of subjects including 'living together', aircraft noise, pollution, road safety, schools, churches, and the organisation of social events.

c. VIPs. With the British Consuls-General in the FRG, JSLO advises BFG on the arrangements for Royal and other VIP visits to the British Forces, and the involvement of German officials.

d. Social. SLOs are responsible for advising on participation of local representatives and the press at annual BFG Receptions, Queen's Birthday Parades, military presentations and 'Freedom of the City' celebrations. Many British units/Garrisons have received the 'Freedom' of their cities.

e. German Press. The BFG Public Information organisations, together with JSLO, provide local newspapers with factual information on BFG and their involvement in local events; they correct errors when these occur.

f. Community Relations. Two effective instruments in fostering good community relations are:

(1) Bands. These are always in demand. They appear at local events, such as massed band concerts, festivals, and other municipal occasions. They give concerts in the villages in which BFG have conducted their autumn exercises.

(2) Military Aid to Civil Community. BFG units, and particularly Royal Engineer units, carry out official projects sponsored by local authorities (construction jobs, including minor roads and bridges). Apart from the material value of the assistance given, this brings the members of the unit into contact with the local citizens.

g. Sport.

- (1) Anglo-German athletic events/team games.
- (2) Mutual use of sporting facilities.
- (3) Reciprocal membership of sporting clubs (eg riding, gliding, golf, soccer).
- (4) Individual sportsmen, both German and British, with interests in minority sports (eg canoeing, angling, rock climbing, fencing).

h. Anglo-German Clubs/Societies. These exist in a number of Garrison towns and pursue various interest - reading, plays, music, etc. There are generally more applicants from the German than the British side, which may be due to a desire on the part of German applicants to learn or practise their English.

i. Twinnings. BFG are concerned with two types of twinning:

(1) Between German and British Towns. Local Garrison/British units are frequently involved in twinning celebrations/events in the German town which has a British "twin".

(2) Between British Units and German Towns/Villages. Units, including RAF squadrons and Army regiments, often establish a close relationship with a local town or village. These liaisons embrace sporting and social events and lead to personal contacts.

j. Schools. An innovative pilot scheme in Bielefeld, sponsored by HQ 1(BR) Corps, seeks to bring a cross-section of the military and civilian community together when they have a shared interest or live alongside one another; for example, BFG Schools with the teachers and senior pupils of local German schools. It is hoped that this type of contact will spread to other garrisons.

4. This catalogue shows how widespread are BFG's links with local populations. In general, relations between the forces and the local communities are good. But they could be closer. Whereas there are strong links between Commanders and their staffs, at all levels, with their counterparts in the German representative hierarchy, from Federal down to Municipal and

Parish level, there is much less genuine contact at grass roots. This is to some extent due to the language barrier. Every effort is being made to raise this; for instance, all Commandes at one star level must pass the military German Colloquial examination before assuming their appointment. Another factor is that British Servicemen change over very rapidly and personal contacts are lost.

5. On balance, we believe that the state of BFG's relationships with the German Community is healthy and is steadily improving. But it is a relationship which has continually to be worked upon if it is to thrive.

ANNEX 3

PAPER BY THE BRITISH CHAMBER OF COMMERCE IN GERMANY (BCCG)

1. The BCCG was founded by British and German businessmen in 1960, initially as a forum in which they could meet, exchange information, share experience and discuss common problems. It is now a fully-fledged chamber of commerce with almost 600 members (about half of them British subsidiaries in Germany) engaged in trade, investment and other business relations between Germany and Britain.

2. The BCCG's object is to further trade and investment between the two countries by promoting new contacts and business cooperation between British and German firms; by providing information, advice and assistance to firms already engaged in British-German business operations, and by representing their interests to authorities in both countries.

3. The Chamber is an independent, non-profit organisation financed primarily by its members' subscriptions and run by their elected representatives. Almost 100 British and German business and professional people serve in an honorary capacity on its Council or on the committees which arrange the Chamber's specialist or regional activities. Other members contribute to the BCCG's series of information papers or to its yearbook, magazine and bulletin; take part in its regular surveys, or serve under a free consultancy scheme for newcomers to British-German business.

4. The central Secretariat staff deal with individual enquiries from both members and non-members, produce the Chamber's publications, service its Council, arrange the AGM supporting programmes and seminars, administer the "English for Commerce" and other examinations, and provide other services (listed in the attached leaflet).

5. The BCCG is now setting up a Scholarships Foundation, funded by a number of its members, to provide financial assistance to British and German students, the sons and daughters of members or of employees of member companies, in carrying on their studies in Germany or the UK respectively.

6. The Chamber works closely with the UK official commercial services in Germany. H M Ambassador is its Patron, and the Embassy and Consulates-General are represented on its Council and regional committees. The BCCG also cooperates with the German Chamber of Industry and Commerces, London, by comparing notes on activities and future plans at annual meetings of the two governing bodies; by under-taking joint survey and making joint representations, and by providing certain services to each other's members.

7. The BCCG also cooperates with the leading chambers of industry and commerce in Germany itself, above all by co-sponsoring and organising with them joint meetings, seminars, interview days, etc, and by sending to them (and to trade associations and to the German Foreign Trade Information Bureau) enquiries likely to be of interest to their members.

The Chambers in Düsseldorf, Hamburg and Stuttgart also provide facilities for the "English for Commerce" examinations arranged there by the BCCG.

8. The BCCG cooperates with a number of other German and British organisations active in the general field of British-German relations, such as:

1) The Confederation of British Industry (CBI), London
- the BCCG is the CBI's official representative in Germany;

2) London Chamber of Commerce and Industry (LCCI), London
- the BCCG organises the LCCI's "English for Commerce" and other examinations in Germany;

3) The Anglo-German Association (AG), London
- an Hon Vice-President of the BCCG is a member of the AGA's Executive Committee;

4) The Anglo-German Foundation for the Study of Industrial Society, London
- the Foundation is a member of the BCCG;

5) The Deutsch-Englische Gesellschaft (DEG), Düsseldorf
- the BCCG and DEG coordinate their programme planning, and arrange some joint events, inviting each other's members to other meetings;

6) The Deutsch-Britischer Jugendaustausch (DBJA), Berlin
- the BCCG is a sustaining member of the DJBA, and gives a

reception each year for British trainees working temporarily in Berlin;

7) The Fachhochschule Osnabrück cooperates with the Buckinghamshire College of Further Education and a French institute in a joint "European Business Studies" programme for British, German and French students

- the Fachhochschule Osnabrück is a member of the BCCG;

8) The Toennissteiner Kreis, a jointly sponsored by the Federation of German Industry, the German Employers Confederation and the Association of German Chambers of Commerce

- the BCCG is cooperating with the TK by helping to secure UK speakers who can visit Germany to address meetings of both organisations' members;

9) Arbeitsgemeinschaft Internationaler Partnerschaft, Hennef

- the BCCG is a member of this town twinning promotion organisation;

10) British Institute of Management (BIM)

- the German branch of the BIM is a member of the BCCG; it has regional groups of both German and British (civilian and service) members in Germany;

11) The German Accountants Group, affiliated to the UK Institute of Cost and Management Accountants

- both Chairman and Secretary of the Group are members of the BCCG;

12) British Forces Education Service (BFES), Mönchengladbach;
- the BCCG has provided for the BFES Careers Service a list of
members, both British and German, willing to advise sixth-form
pupils on their trades and professions;

ANNEX 4

ANGLO-GERMAN CONTACTS: NOTE BY THE DEPARTMENT OF
TRADE AND INDUSTRY

Ministerial

Bilateral meetings about 4-6 times a year, including
summits.

Official

Regular meetings at Permanent Secretary level.

i) Trade Policy and Export Promotion issues:

Regular and frequent contact at Deputy Secretary and
Under Secretary level with German officials at
summits, in the margins of Brussels meetings and
other fora, and by telephone.

ii) Insurance and Company Policy

Two bilateral meetings at Deputy Secretary level
with German officials in February and October 1983.
Further meetings may be desirable, but there is
already frequent bilateral contact at Brussels and
in the margins of other international meetings.

iii) Telecommunications

At least one regular bilateral meeting has been held each year over the last three years. These contacts will continue.

iv) Electronics Applications

There are useful bilateral meetings with German officials on micro-electronics, optoelectronics and fibre optics. These take place about three times a year and were initiated in 1981; the venue alternates between the UK and Germany. On one or two specific occasions industrialists have been included.

v) Robotics and advance manufacturing technology

Official contacts take place with the Germans as part of the tripartite robotics group which also involves France. The group initiated in 1981 meets about twice a year to discuss areas of possible collaboration in robotics and advanced manufacturing technology. The UK is pleased at the progress made by the group and meetings will continue on a regular basis.

vi) Standards policy

There are frequent and regular contacts between officials at roughly Assistant Secretary level on policy and practical problem questions in the field of quality

assurance, standards, certification, testing and technical barriers to trade.

Regular tripartite meetings (including France) at Under Secretary level take place at annual intervals.

vii) Shipbuilding Policy

There is regular contact at official level at Community meetings, but a separate bilateral meeting at Under Secretary level was held in Bonn in mid-1983. It is intended to step up these bilateral contacts in 1984.

viii) Steel

Several meetings have recently taken place at official level to discuss Community steel policy, and two ad hoc meetings took place in Bonn in preparation for steel councils.

ix) Jurisdictional matters

In 1983 there was a visit by two officials from the Department to Bonn for discussions on mutual attitudes to jurisdictional problems with the USA. This contact will probably be resumed from time to time in the future.

NOTE BY THE DEPARTMENT OF EMPLOYMENT

1. Ministerial/Official Visits

In November 1982, it was agreed that there should be regular Ministerial and official contact. Fairly frequent contacts were maintained in 1983 (the Secretary of State and two other Ministers visited Germany) after a long gap. We need to ensure the maintenance of such contacts at regular intervals. Good links already exist between the Manpower Services Commission and the Bundesanstalt fuer Arbeit.

2. The Social Partners

Regular and close contacts are maintained between employer's organisations; the EEF has particularly close links with Gesamtmetall and the CBI has regular contacts with the German Employer's Organisations BDI and BDA. As far as trade unions are concerned, contacts between the TUC and DGB are mainly through the European TUC and the ICFTU. A delegation from the TUC did, however, visit Dusseldorf last summer. There are links of varying closeness and intimacy between individual trade unions. Again, contacts are often through the appropriate international organisations (IMF, FIET and so on) but British Trade Union Delegations regularly appear at German Trade Union Congresses and the senior officials on both sides know one another well.

3. Young Worker Exchange Scheme

This EC scheme, originally set up in May 1964, offers young people a period of work experience and vocational training with an employer in another Community country. Following completion and evaluation of the first programme, a second programme commenced in July 1979. The new programme has been slow to start; the number of exchanges with Germany (British and German) since 1980 totals nearly 100 young people - not as many as expected. However, the UK regards it as providing useful vocational training and young people on the Government's Youth Training Scheme are able to participate. The Central Bureau for Educational Visits and Exchanges co-ordinates the scheme in the UK.

ANNEX 6

ANGLO-GERMAN SCIENTIFIC CONTACTS: NOTE BY THE DEPARTMENT OF
EDUCATION AND SCIENCE

Secretary of State last met with German Minister for Research in December 1982. A meeting intended in 1983 was postponed. Discussions about a meeting in early 1984 are proceeding.

Other Ministerial meetings at PUSS level have taken place, either in the UK or Germany, every year since 1979. The most recent was in October 1983.

Official: Deputy Secretary attends tripartite Meetings on Science Policy together with Chief Scientific Adviser Cabinet Office, with German and French Counterparts. Meeting now takes place about once a year, sited in each country in rotation.

Research Councils have many links via individual scientists in the various institutes with their counterparts in Germany. The Councils also have formal and informal agreements for cooperation particularly in the following:-

- SERC European Organisation for Nuclear Research (CERN)
- " Institut Laue-Langevin (ILL)
- " European Space Agency (ESA)
- " European Incoherent Scatter Scientific Association (EISCAT)
- " ROSAT (West German Satellite carrying Xray telescope)
- " AMPTE (Active Magnetospheric Particle Tracer Explorers)
- " Spallation Neutron Source (SNS) (SERC's major facility)
- " SNQ (The German equivalent to SNS)
- " MRSE (Microwave Remote Sensing Experiment)

NERC The following Institutes of the Natural Environment Research Council have collaborative links with German Research Establishments:-

Inst. of Geological Sciences in a European geological survey link and radio-active waste disposal on land.

Inst. of Oceanographic Sciences with FRG Oceanographic Institutions including research into disposal of radio-active waste at sea.

British Antarctic Survey with Alfred Wegener Institut fur Polarforschung

Thematic Information Services unit discussions on remote sensing mainly with the German Aerospace Establishment (DFVLR)

Inst. of Hydrology flood protection joint research within EC Environmental Programme

Inst. of Terrestrial Ecology research on grasslands, conservation of land and birds, and air pollution effects

MRC

The Medical Research Council are the UK adhering members of the European Molecular Biology Organisation (EMBO) which includes EMBL (Laboratory) and EMEC (Conference). Germany is one of nine other members.

There are also many informal contacts at scientific level under ad hoc arrangements

ESRC

The Economic and Social Research Council has a bilateral agreement with the Deutsche Forschungsgemeinschaft enabling exchanges of social scientists for study and research.

AFRC

The Agricultural and Food Research Council has many contacts at Institutional and Scientist level with counterparts in German establishments. These are invariably on an ad hoc basis.

The Royal Society administers a DES grant for long and short term visits via the European Science Exchange Programme, to and from Western Europe, by scientists at both senior and junior level.

The Society is the adhering body to the International Council of Scientific Unions (ICSU) which embraces Academics, Research Councils and Governments of 64 countries (including the Federal Republic of Germany).

The five Research Councils and the Royal Society are members of the European Science Foundation (ESF), a non-governmental organisation for bodies which are responsible for supporting scientific research at a national level.

ANNEX 7

ANGLO-GERMAN GOVERNMENTAL CONTACTS

Ministry of Agriculture, Fisheries and Food Ministerial: annual bilateral talks, with further meetings in the margins of summits and Agriculture Councils in Brussels.

Official: frequent ad hoc meetings, EDC study (now completed) on the comparative efficiency of dairy farming in England and Wales and the FRG, contacts as appropriate.

Ministry of Defence Ministerial: meetings at Secretary of State level at bilateral summits, and as appropriate in the margins of NATO Ministerials; periodic Secretary of State trilateral meetings (with France) on equipment matters; periodic Minister of State meetings on procurement.

Official: Chief of Defence

Procurement meetings at least twice a year, with frequent further meetings on procurement as necessary; annual Defence Staff talks; CDS/Inspector-General of the Bundeswehr talks every 6-9 months; numerous other Service contacts at a number of levels.

Department of Education
and Science

Ministerial: occasional meetings at Secretary of State level; regular meetings at PUSS level.

Official: regular PUS talks; annual tripartite talks (with French) on science policy at PUS level; frequent meetings at international fora (OECD, EC, NATO Science Committee); numerous formal and informal meetings of research councils; periodic seminars on information technology; occasional meetings on co-operation in higher education; frequent meetings on administration of youth and students exchanges (CBEVE); frequent official exchanges.

Department of
Employment

Ministerial: fairly regular meetings; two meetings at Secretary of State level in 1983.

Official: annual PUS meetings; annual MSC Chairman meetings; annual meetings under a formal exchange of information agreement on the safety of nuclear installations; ad hoc contacts on a number of technical issues.

Department of Energy

Ministerial: from time to time on an ad hoc basis (2 meetings at Secretary of State level in 1983).

Official: PUS (and usually FCO representation) meets German side once or twice a year; other occasional ad hoc meetings as necessary.

Department of
Environment

Ministerial: Occasional meetings on environmental protection (EP); meetings as necessary on regional planning,

housing and urban development.

Official: Anglo-German working party meets twice yearly to discuss a wide range of EP issues; bilateral contact on EP expected to increase; occasional meetings on regional planning etc.

FCO

Covered separately

Department of Health
and Social Security

Ministerial: occasional (one meeting at Secretary of State level in 1983).

Official: fairly frequent ad hoc contacts on specialised subjects.

Home Office

Ministerial: very occasional (Secretary of State bilateral planned this year).

Official: fairly frequent contact on an ad hoc basis on subjects including immigration, broadcasting, police, technical co-operation and counter

terrorism; regular liaison
between immigration officers;

limited contact on fire
matters.

Lord Chancellor's
Office

Official level discussions on
legal matters approximately
every two years.

Management and
Personnel Office

Official: regular contacts over
training and the Anglo-German
interchange scheme for civil
servants.

Department of Trade
and Industry

Ministerial: bilateral meetings
4-6 times a year, including
summits.

Official: regular meetings at
PUS level; frequent contact at
DUS and AUS levels on trade
policy and export promotion
issues at summits, Brussels
meetings and other fora;
biannual DUS meetings on
insurance and company policy;
annual meeting on
telecommunications; meetings on
electronics applications three

times a year; biannual tripartite (and France) meetings on robotics and advanced manufacturing technology; ad hoc meetings and annual tripartite AUS-level meetings on standards policy; regular contacts on shipbuilding policy; ad hoc meetings on Community steel policy and jurisdictional matters.

Department of Transport

Ministerial: occasional meetings on an ad hoc basis.
Official: annual meetings to discuss permits and licences for road haulage and international coach travel; ad hoc contacts as necessary.

Treasury

Ministerial: Chancellor attends the six monthly bilateral summit and there are also frequent ad hoc consultations
Official: Anglo-German Economic Committee meets once a year (includes Bank of England and FCO); other frequent ad hoc meetings.

ANGLO-GERMAN GOVERNMENTAL CONTACTS IN EDUCATION

Paper by the Department of Education and Science

1. The Department of Education and Science has recently accorded a higher profile to maintaining and improving close relations with the FRG in the field of education, and in particular to sharing experience in areas of common concern to both countries. Efforts have been concentrated on the following priority areas:

- (a) information technology;
- (b) the transference of experience between further and higher education and industry;
- (c) institutional links.

ANGLO-GERMAN BILATERAL CO-OPERATION

2. Following the Anglo-German Mixed Commission talks held in London at the end of 1982, closer co-operation has been successfully developed at a number of levels:

(a) Inter-Military contact

(i) Ministerial: It is intended that the German Minister of Education will make a visit to the UK later in the year;

(ii) Official: Following the visit of the German State Secretary to London in February 1983, it is planned that the DES Permanent Secretary will make a return visit to the FRG in May 1984. Regular informal talks led at Under-Secretary level have been established between the two Ministries, the first of which was held in Bonn in November 1983.

/(b)

(b) Shared Seminars

(i) Institutional: A seminar to examine common problems, including relations with industry, and the scope for extending co-operation between the Fachhochschulen and Polytechnics was held in Mainz in September 1983 and was attended by representatives of institutions, Government and central bodies. It is intended to follow up the seminar by setting up exploratory meetings and other contacts between relevant organisations from the two countries with a view to initiating partnership arrangements and facilitating better exchange of information on courses, research etc.

(ii) Information Technology: A seminar on the impact of new technologies on education in schools was held in April in the UK and was attended by administrators and practitioners. The programme will include school visits to enable the visitors to see at first hand work on microelectronics in schools mainly in the context of the Microelectronics Education Programme (MEP). A similar seminar and visits programme has been suggested by the Germans for late 1984/early 1985 to look at their work in the field of microelectronics in Further Education.

(c) Exchanges:

(i) General: The UK are proposing that a colloquium might be held involving people from both countries concerned with education and youth exchanges to consider the consolidation and development of educational links and exchanges between the UK and FRG.

(ii) Technical Education: At present, the two Ministries are exploring the possibilities of developing an exchange programme between British and German apprentices and young adults along the lines of one currently being established between the French and British, to pursue the most effective ways of preparing the sort of workforce needed for industrial renewal and development.

(iii) Institutional: The Central Bureau for Educational Visits and Exchanges (CBEVE) have an extensive programme of links and exchanges with the FRG, including exchange of foreign language assistants, teacher exchanges, teacher short courses, school pupil links (visits and exchanges, penfriendships) and student work placements.

STUDY VISITS

3. British universities have taken advantage of the EC scheme in 1976 for the development of joint programmes of study between institutions of higher education in different Member States with a view to assisting student mobility, securing about 70% of the grants made available. At local education authority level, the FRG and Denmark are the

countries most often chosen for visits by regional and local administrators under the EC Short Study Visits Scheme.

4. During 1983, four groups from the UK visited the FRG as part of the final year of a 3-year study visit programme on technical education co-ordinated by the DES and arranged by the FE Staff College at Coombe Lodge, with the assistance of the British Council and CBEVE.

GENERAL CONTACTS

5. In addition to the specific areas of bilateral co-operation outlined above, officials and members of HM Inspectorate have attended meetings in and made visits to the FRG.

ANNEX 9

ANGLO-GERMAN CULTURAL RELATIONS

PAPER BY THE BRITISH COUNCIL

Introduction

The essential characteristic of these is that they are long-term; increasingly, therefore, they are aimed at the next generation of Germans.

Cultural Relations work

- informs the Germans about all aspects of Britain (excluding politics, defence and commerce),
- generates appreciation and understanding of Britain,
- develops collaboration between the two countries, often over the long term.

Instruments and Programmes

The main instrument on our side is the British Council, whose activities are undertaken on the German side by the Goethe Institut (language, libraries culture); the DAAD (academic exchanges, scholarships); the A. von Humboldt Stiftung (scientific exchange); the Carl Duisberg Foundation (vocational and industrial training); Internationales (book programmes); Ministry of Youth, Family and Health (Youth Exchange); Deutscher Städtetag (town-twinning) etc.

A. Libraries & Information about Britain

1. British Council (32% of BC effort, re-distributing administrative overheads)
 - 4 Libraries (lending and reference) ☉
 - 64,000 Books
 - 340 periodical titles
 - 4,800 documentary films, slide-sets, cassettes etc (AV material).
 - 7,900 members, including over 550 postal loan corporate and individual members, including 230 schools, university departments etc, 120 individual teachers
 - 30,000 educational, reference, informational enquiries answered annually; computer search facility (Cologne) & British and other databases. Promotion of sale of British Books (Frankfurt Book Fair, Book exhibitions, and a full-time L/E post to inform British publishers about German booksellers and vice-versa.)

Provision of 'Landeskunde' materials (see English Language, below).

2. COI, BIS, Embassy Information Section

3. British TV-Radio (BBC, IBA, BFBS)

Enormous range and variety of programmes dubbed into German. (NB. Most radio stations also record visiting British musical groups, often under BC sponsorship).

There is currently great demand for English-language versions, hence popularity of BC shown feature films (183 in 1982/83) and of loans of documentaries (1228 in 1982/83).

Cable and satellite TV will have a marked effect on ability of Germans to receive British TV programmes.

B. Exchange programmes (26.8% of BC activity).

Targetted BC Exchanges

Subject breakdown:	46% Education and Social Sciences
	29% Science and Technology
	14% English Language and Literature
	10% Arts and Humanities
	1% Other

These are designed to inform key people, academic and non-academic, about British developments in their various fields,; and to identify partners for future collaboration over the longer term.

150 Visitors to Britain (ranging from fully-programmed fully-funded in Britain to small grants-in-aid).

20 - 25 Scholarships for academic and other high-flyers and short-term bursaries for a piece of grant research.

6 scholarships for young lawyers.

160 Travel grants for academic interchange, to establish inter-departmental links or collaborative research and to lead to further staff and student exchange.

4 - 6 group study tours in non-academic fields (e.g. German engineers studying British engineering education; Landtag Committees studying public funding of the Arts). Self-financing.

Specialist Courses in Britain (namely science, medicine, public administration, agriculture). About 40 - 50 German participants. Largely self-financing and highly specialised.

120 specialist tourists and lecturers from Britain, about 26 % fully programmed. Lecturers on In-Service teachers' courses run by Länder (English, Landeskunde); Lecturers at Universities and Seminars (e.g. Hohenkammer), those identifying institutions and individuals for scientific interchange.

Un-targeted exchanges

Youth Exchange c. £ 175,000 through BC London to youth groups and organisations to subsidise short group exchanges in both directions. The programme with Germany is Britain's largest. 8,800 people were funded by Britain in 1982/83 and 12,000 by the German partner organisation: Ministry of Youth, Family and Health; local liaison and advice by BC Germany.

School Exchanges No central subsidy. Financed by Länder or by municipalities (often within town-twinning links) on German side and by LEAs in Britain. Advice and practical help provided by Central Bureau for Educational Visits and Exchanges.

Estimated numbers: 10 - 15,000 p. a.

Town Twinning Links (pump-priming funds for initial exchange of municipal officials from British Council London; BC Germany liaises and informs); 350 current links (biggest number between UK and any other country); 10 - 15 new twinning ceremonies every year. Waiting list: about 40 German cities, about 10 British. Most of S.E. & S.W. England saturated, particularly larger towns. Many links Bavaria-Scotland; Baden-Württemberg-Wales; unsatisfied demand from N. Ireland.

(Many school, sport, music, municipal exchanges under these links).

Other exchanges

Difficult to quantify (e.g. au-pairs).

c. 40,000 Germans visit Britain annually for English Language short-courses, often combined with holidays. (see English Language, below).

C. The Arts (20,8 % of BC activity)

Arts, like Education, a Länder and municipal responsibility, and under 3% of £ 700 million devoted to it in Germany comes from Central Government. Decentralisation and municipal rivalry and independence have created facilities in cities which are the envy of Europe. Receptivity to cultural offerings high, but standards also high. Most of the money goes into permanent companies and orchestras, and apart from festivals (which have special funding) and cities with no resident performers, cultural presentations have to be subsidised if proper geographical coverage and representative repertoire are to be maintained. There is a downward trend in German funding for the Arts, and therefore increasing difficulties in financing tours by foreign groups.

Over 90 % of cost of British visiting groups met by German funding.
BC 'notional' London performing arts budget for Germany about £ 32,000, in practice usually more.

Fine Arts separately funded by BC London, over 90 % funded by German galleries, museums etc.

BC expenditure from Local Germany budget (including smaller-scale performances in Council Centres, Universities, Anglo-German Societies) about £ 30,000, receipts £ 8,000. ☐

c 6 Fine Arts and photo exhibitions every year

18 - 20 Music Tours

2 - 3 Drama or Dance tours.

B. English Language & Literature work

English Language Centre, British Council Munich

Highly specialised, (subsidised), courses for government departments, companies, and occupational groups (e.g. doctors, architects, lawyers, teachers and advanced learners of English).

Support for key institutions of English

BC English Language Officer and Regional offices, using Council exchange programmes to support teacher-training courses by Länder, activities by key University English Departments, conferences, seminars, and curriculum development projects.

'Landeskunde' (cultural studies)

This forms part of English teaching at all educational levels, and is about a variety of aspects of life in Britain. See para 1.1 for library provision. A Landeskunde element has now been introduced into many Land In-Service Courses for teachers which BC supports with Exchange funds, and it is also a key element of recent BC collaboration with WDR on the making of films about life in Norwich, for educational use.

A further Landeskunde development is a series of Seminars for Land Civil Servants, in English, about Britain, with distinguished British speakers. Seminars were held in Bavaria in 1981 and 1983, and with Baden-Württemberg in 1983.

English Literature

English studies collections in Libraries and for postal loans. Support for symposia on Literature and poetry, bringing out British speakers. Lecture tours for contemporary writers (using the opportunity to promote sales of their work).

British Assistant Teachers

There are 400 - 500 in German schools in any one year, under arrangements run by the Central Bureau for Educational Visits and Exchanges. Many receive materials support and advice from the Council.

English Courses in Britain

The BC maintains displays and publicises reference material about all recognised courses, which about 40,000 Germans attend each year at their own expense.

E. Science and Technology

The Council's specialist Science Officer complements the work of the Embassy's Science Section by organising scientific interchange and links, mainly in the University and Fachhochschule/Polytechnic sector, using Council exchange programmes, to identify and exploit areas of particularly fruitful collaboration. 29 % of all exchanges funds deployed by the Council are in this field. The priority areas are engineering and applied science, ie those fields in which research or other collaboration are likely to have the most practical benefit.

F. Education

Germany is an "analogue country" for DES, ie one in which it seeks to gain practical benefit for the British system by studying the German. Activities include the following:

Exchanges between officials of the DES (including HMI) and the Bundesministerium für Bildung und Wissenschaft (BMBW).

Information Visits by groups of British educators (e.g. vocational trainers arranged by Coombe Lodge, Central Bureau and BC).

Exchanges between Universities and Fachhochschulen/Polytechnics - arranged by the Council.

Informational visits to Britain by Länder officials, teacher-educators, etc arranged by the Council.

(46% of British Council Exchange funds are spent on Education and the Social Sciences.

Progress Report

on

Anglo-German Relations

February 1984

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At the Anglo-German Consultations of Heads of Government in Bonn on 29 October 1982, Federal Chancellor Helmut Kohl summed up Anglo-German relations as follows:

"It is a solid and mature friendship. It is founded on the common interests of both countries. It is rooted in our international obligations, be they in the European Community or in NATO. The United Kingdom also remains a guarantor of our security, of the peace and freedom of the Federal Republic of Germany. The existence of the Army of the Rhine is part of the history of German liberty. The United Kingdom is a protective power in Berlin."

From the British side, too, our close co-operation and agreement on important questions, in particular those of foreign policy, defence and Europe, is emphasized at high-level meetings. Intergovernmental co-operation has increasingly become a matter of course in a broad partnership conducted in a businesslike manner, marked by openness and trust in the reliability and professional competence of the other.

Fortunately, the close partnership between the two Governments is reflected in the regard of the two peoples for each other. A recent opinion poll indicated that the Federal Republic of Germany is considered in the United Kingdom to be Britain's "best friend" in Europe. Similarly, in the Federal Republic of Germany, the United Kingdom rates as Germany's most important European partner next to France.

The Elysée Agreement formalized a historical turning-point in Franco-German relations. No such formalization of Anglo-German relations has taken place. It is indeed doubtful whether such additional institutionalization is necessary or even desirable. Every mature relationship develops its own quality and its own forms. For all its informality, not even the Anglo-German relationship can do without institutions: the biannual Anglo-German summit talks can be regarded as the umbrella institution and the highest authority. In the "Königswinter talks" the two countries have a discussion forum at their disposal which serves almost as a "Parliament", and which, as an instrument

of the Anglo-German association, has become part and parcel of our public life. Another institution created by the two Governments is the Anglo-German Foundation for the Study of Industrial Society, which could assume increased importance if it were developed into a permanent forum for Anglo-German co-operation.

Anglo-German relations, of course, are not an exclusive association. They are transcended by the Atlantic Alliance and the European Community, in which both countries are firmly rooted. Both peoples are part of the community of free nations. This community is given meaning and vitality not only by institutionalized co-operation but also to a significant extent by the web of links maintained among themselves by the separate nations within the community according to their historically conditioned special interests and objectives. These multilateral ties are also pillars which lend solidity to Anglo-German relations.

Finally, one other aspect of Anglo-German relations should be emphasized, namely the special role played by the United Kingdom, along with the United States and France, as one of the powers bearing particular responsibility for Germany as a whole and Berlin.

1. Foreign Policy

The state of relations can be measured by the close and constant co-ordination, marked by mutual trust and understanding, of all aspects of foreign policy at all levels, including the highest level:

- six-monthly consultations of Heads of Government, normally involving the participation of the Ministers for Foreign Affairs, Defence, Economics and Finance, and occasionally including other ministers;
- continuous consultations at all levels, sometimes bilateral but mostly in multilateral frameworks such as European Political Co-operation (EPC), NATO and CSCE. Regular (twice-yearly)

consultations on United Nations matters (as well as in the Contact Group on Namibia);

- close co-ordination in the European Community, multilateral co-operation being accompanied by bilateral consultations;
- co-operation in a spirit of mutual confidence on matters affecting Berlin in six-monthly meetings with the Foreign Ministers of the protective powers and weekly co-ordination in the Group of Four;
- increased consultation on policy towards the Third World, particularly on attempts to co-ordinate development policies;
- growing co-operation at other levels, for instance through ministerial meetings, regional contacts and not least through parliamentary and party contacts. Political foundations maintain close links with British social groups, and the Konrad Adenauer Foundation runs a Permanent Office in London.

The contacts referred to above have led to significant intensification and expansion of co-operation between the two countries in recent years. This has been sustained by largely converging interests and by a common fundamental outlook on foreign and security affairs as well as economic and social policy. The strengthening of this co-operation is important, since concerted action by the countries at the political and strategic heart of Europe is an essential element of internal and external European policy.

Although for historical reasons the two countries' thinking rests on differing assumptions, close collaboration on European Community affairs has brought about growing rapprochement based on improved mutual understanding of how their respective interests compare. Despite continuing differences in positions on individual issues, both sides share the conviction that the major problems outstanding require

swift and comprehensive settlement on the basis of a balanced compromise. Co-operation with the United Kingdom within the EPC framework has been particularly successful and constructive. Britain's political instinct and international experience have heightened the effectiveness of European Political Co-operation. Furthermore, the United Kingdom has taken important initiatives with regard to the development of EPC, such as the improvements in the distribution of EPC responsibilities and rules of procedure set forth in the 1981 London Report.

The framework of co-operation between both countries which has evolved and the style which has developed have proved themselves and already have the potential to lead to further strengthening of the existing links.

2. Security Policy

The defence contribution by both countries to the Atlantic Alliance is crucial to Western European security policy and is a vital element of Anglo-German ties. Of decisive importance in this sphere is the common defence provided by the deployment of the British Army of the Rhine on the territory of the Federal Republic of Germany, a deployment contractually rooted in the Western European Union. Occasional proposals that the Army of the Rhine be pared down in favour of an increased British maritime role in NATO have been emphatically rejected by the British Government. This official attitude is underlined by the large-scale Lionheart 84 military exercise.

The Federal Republic of Germany and the United Kingdom firmly support the Alliance philosophy that disarmament and arms control are integral parts of Alliance security policy. In accordance with this fundamental thinking, both sides participate actively with substantial contributions to the efforts for balanced and verifiable arrangements at the negotiations between West and East and on a global scale.

The emphasis placed by both sides on a common security policy is expressed in the range and depth of the continuous and regular consultations at all levels:

- talks between the Defence Ministers as part of the Anglo-German summits and regular visits;
- annual and continuous consultations on security policy between the Ministers of Foreign Affairs and Defence;
- consultations in the aforementioned context or independent thereof on matters of disarmament and arms control;
- participation in multilateral harmonization of Western positions in arms control and disarmament negotiations (INF, MBFR, Conference on Confidence- and Security-Building Measures and Disarmament in Europe (CDE), Conference on Disarmament (CD), UN). In this sphere the bilateral co-operation accompanying multilateral co-ordination is marked by particular closeness and mutual trust;
- close co-operation in all NATO bodies and in the Western European Union;
- co-operation between the armed forces through talks between the general staffs, joint exercises and training (attendance by German officers at the Royal College of Defence Studies and the Camberley Command and Staff College and by British officers on training courses at the Federal Armed Forces Command and Staff College);
- co-operation in the field of armaments (four armaments commissions and the Arms Export Association (AGEX)).

The high degree of consensus on security policy was particularly clearly demonstrated throughout the INF negotiations and in the contemporaneous deployment in both countries of intermediate-range missiles at the end of 1983. Both sides regard this exemplary demonstration of unity as a good basis and important prerequisite for a common Western policy on security and arms control which seeks a balance of forces at the lowest possible level.

In the field of armaments, the United Kingdom has become increasingly open to co-operation with its European partners in recent years. This is reflected above all in close Anglo-German co-operation in bilateral and multilateral settings, which has reached a considerable level compared to that carried out with other countries. Regular armaments talks, held at the level of the three armed services, enable projects to be co-ordinated.

The existing bilateral and multilateral consultation and co-ordination mechanisms have proved entirely successful and are also sufficiently adaptable to changing requirements. The importance of the British forces' presence in the Federal Republic to the general defence effort could be accentuated by even greater efforts to develop contacts between the British Army of the Rhine and the armed forces and the population of the Federal Republic.

3. Economic and Social Policy

Bilateral collaboration on European economic and monetary policy takes place mainly within the European Community institutions. Co-operation with the United Kingdom in this sphere has proved extremely fruitful, especially with regard to external trade policy.

The two countries are largely in agreement on the major international economic issues. This applies particularly to the importance attached by both countries to the maintenance and encouragement of free world trade and international division of labour. This attitude is demon-

strated by close collaboration, especially in the day-to-day coordination within the European Community, in international organizations like the UN and its agencies, in OECD, in the International Energy Agency and the international development banks.

Economic relations between the two countries have also undergone considerable development in past years: German exports to the United Kingdom have more than trebled since 1975 (35,400 million Deutsche Mark in 1983), while British exports to the Federal Republic during the same period have even quadrupled (27,100 million Deutsche Mark in 1983). This makes the Federal Republic of Germany Britain's major supplier, and conversely the United Kingdom is the principal supplier of oil to the Federal Republic. Financial interaction has accordingly increased, with German investments gaining ground (one thousand million Deutsche Mark growth in 1982 alone). The dynamism of this development is mainly due to growing mutual confidence in the other's economic performance within the European Community. Increased cooperation at all levels (private and governmental) has provided significant momentum:

- participation by the Ministers of Economics and Finance in the Anglo-German consultations of Heads of Government;
- annual intergovernmental consultations on topical economic issues by the Anglo-German Economic Committee; additional meetings to exchange views on European Community affairs;
- continuous consultations on specific matters, including those in the realm of employment and social affairs, between the competent ministries;
- close co-operation in a growing number of joint projects, such as Airbus, space travel, the fast breeder and uranium enrichment;

- contacts and co-operation between representatives from business and banking, for instance through the German Chamber of Industry and Commerce (IHK) in London and the British-German Trade Council in Cologne and through the annual consultations of export credit insurers;
- contacts between trade union associations on a bilateral and multilateral basis (European Trade Union Confederation, International Confederation of Free Trade Unions);
- comparative analyses by the Anglo-German Foundation for the Study of Industrial Society on common economic and social problems.

The consultation and co-ordination mechanisms which have developed at governmental, company and trade union level between the two countries reflect an increasing degree of mutual exchange and have proved entirely beneficial.

4. Science and Technology; the Environment

Exchanges and co-operation between the two countries in the field of science and research are part of a long tradition of common European scientific development, to which Germany and Britain have rendered outstanding contributions. This still applies today - even if conditions have changed - while on large-scale projects (e.g. European Council for Nuclear Research, European Space Agency) bilateral research relations are obscured by conspicuous European co-operation. On the other hand, close bilateral Anglo-German relations play a very significant role in grass-roots research:

- extensive scientific co-operation by the German Research Society with its British counterparts, especially the Royal Society (on the basis of a formal agreement), the British Academy and the

five Research Councils (the German budget in 1982 amounted to DM 650,000);

links in science and higher education, particularly those arising from the regular contacts between the Vice-Chancellors' associations and from university twinning arrangements, joint courses of study, Alexander von Humboldt Foundation programmes and the German Academic Exchange Service (DAAD), in which the London office of DAAD plays a special role;

contacts between academic institutes and establishments in the field of science (e.g. Deutsches Elektronen Synchrotron (DESY) and the Jülich Nuclear Research Establishment (KFA), the Karlsruhe Nuclear Research Centre (KfK) and the United Kingdom Atomic Energy Authority (UKAEA), the Uranisotopentrennungs-Gesellschaft (Uranit) and the Uranium Enrichment Corporation (Urenco), as well as the Alfred Wegner Institute for Polar Research (AWI), and in the arts (e.g. the German Historical Institute in London).

Despite the lack of an intergovernmental Agreement on research and technology, a regular process of information and co-ordination takes place between government departments. Difficulties arising from differing distribution of responsibilities can be overcome through the intensity of the existing contacts (between the German Federal Ministry for Research and Technology and the British Departments of Trade and Industry, of Employment and of Education and Science). Of the many projects dealt with at this level, the following should be mentioned: the development by a European consortium of a fast breeder, space research programmes (jointly with the U.S. and with a total budget of 420 million Deutsche Mark), aviation research (e.g. plans for a transonic wind tunnel), nuclear safety research. Closer co-operation is envisaged in the following fields: microelectronics, biotechnology, marine research and particularly Antarctic research. Co-operation in the development of a gas-centrifugation process for the

production of enriched uranium (the Almelo contract concluded with the Netherlands) remains an area of special emphasis.

Co-operation in the sphere of research has borne fruit (exemplified by follow-up agreements made by industry). However, in view of the challenge posed by research activities in non-European industrialized nations, it would seem desirable to consider to what extent and towards which fields new stimulus should be directed. It could be helpful if the Anglo-German Foundation for the Study of Industrial Society were more heavily involved in this area.

In the field of the environment close co-operation takes place, particularly within the Anglo-German ^{Steering} ~~Pilot~~ ^{in 20} Group Environment. All government departments involved in environmental protection participate in this forum. Bilateral questions are dealt with along with matters under discussion in the European Community. This co-operation has been extremely valuable.

5. Justice and Home Affairs

The close neighbourly relationship between the two countries and the degree of free movement which has been realized demands intensive and multifaceted co-ordination at all levels between the Federal Ministry of the Interior and the Federal Ministry of Justice on the one hand and the Home Office and the Lord Chancellor's Department on the other:

- co-operation and exchanges of views between the aforementioned ministries in the spheres of data processing and protection of data, protection of official secrets, the safety of nuclear installations, law relating to aliens and legal aid in civil and criminal proceedings etc. An improvement in the Extradition Agreement is being sought;

- co-operation in Interpol and in the EPC Trevi Group, supplemented by contacts at operational level within the police;
- exchanges of information and experience on the two legal systems carried out by the Deutsch-Britische Juristenvereinigung and its counterpart, the British-German Jurists' Association;
- exchange programmes for civil servants, including those run in collaboration between the Bundesakademie für öffentliche Verwaltung (Federal College of Public Administration) and the Civil Service College (just under 1,000 participants since 1971).

The trusting and businesslike relations in this everyday sphere of neighbourly association have fully proved their worth and guarantee that individual cases as well as general issues are dealt with in the framework of existing consultation mechanisms. The requisite exchange of information in new problem areas (such as certain provisions of the law regarding aliens) is also possible within the framework which has been developed.

6. Cultural Relations

The numerous exchanges in education and culture between the two nations with their European cultural heritage are largely self-generating. They do, however, require additional government assistance. The following instruments serve that purpose:

- continuous contacts at director level, on the basis of the Cultural Agreement, with the Foreign and Commonwealth Office and the British Council, the British-German Mixed Cultural Commission on a biennial basis (the 14th meeting was held in December 1982);

- contacts between the Standing Conference of Ministers of Education and Cultural Affairs of the Federal Länder and the Department of Education and Science;
- extensive co-operation between the Federal Ministry of Education and Science and the Department of Education and Science within the European Community framework as well as on a bilateral basis;
- the Anglo-German Foundation for the Study of Industrial Society;
- scientific and academic exchanges (DAAD, German Research Society, Alexander von Humboldt Foundation etc.);
- invitations to groups within the scope of the Federal Government's cultural visit scheme;
- cultural programmes of the three Goethe Institutes, as well as the Historical Institute in London, and of the British Council in Berlin, Hamburg, Cologne and Munich. Cultural events organized by the Anglo-German Society;
- promotion of language teaching at schools and institutes of higher education and in adult education.

Cultural exchanges and language training are interrelated and therefore both need constant, increased encouragement. This applies to both sides, although a natural advantage accrues to English as an international language, a fact which must be taken into account. Because of the importance of bilateral relations, the United Kingdom is a focal point of language promotion (60 DAAD German lecturers, 27 scholarships for students of German, 70 scholarships annually for language courses, one professional adviser, 590 German language assistants in schools and 23 exchange teachers). We hope that the

British side, for its part, will step up its efforts with regard to the study of the German language to counteract the decline in the number of school pupils and adults learning German (and in the number of foreign language assistants) and to accord German a place in British modern language teaching in keeping with the importance of Anglo-German relations. The creation of the Association for Modern German Studies and the conference on the "State of the German Language in the United Kingdom", planned for 1985 by the Centre for Information on Language Teaching and Research, are important steps in this direction.

Both sides have so far devoted considerable attention to the work of cultural institutes and other cultural establishments. This is true, for instance, of the British Council Institutes, whose prestige stems from its sterling work since the end of the war. It is also true of the Goethe Institute, which is arousing increasing interest in the host country. However, it must be ensured in the near future that both institutes are treated equally for tax purposes. Negotiations between the two Governments on this subject began last autumn.

Anglo-German co-operation in higher education is particularly close and fruitful. Several seminars have been held with the assistance of the British Council and the relevant government departments on both sides. There are regular contacts between the West German Rectors' Conference and the Committee of Vice-Chancellors and Principals. German institutes of higher education have co-operation agreements with 83 British universities and colleges. Every year the Alexander von Humboldt Foundation awards between 30 and 40 research scholarships to British scientists (a total of 279 so far). DAAD, with one-year scholarships for graduates and students, special scholarship programmes for students of German and English and promotion of short study trips in both directions, is also very actively involved in Anglo-German exchanges of students and academics.

Both countries have recently increased their co-operation in the field of vocational training too. The existing intensive exchange of information at departmental level by means of visits and seminars has recently been supplemented by the exchange of experts in vocational training and of youths and young adults undergoing basic or further training and is to be extended gradually. In the field of schools this type of in-service training exchange is conducted in the form of practical courses for teachers through the Educational Exchange Service of the Standing Conference of Ministers of Education and Cultural Affairs of the Federal Länder (some 100 German and at least 50 British trainees per year).

In the network of relations in the cultural and social policy spheres, the Anglo-German Foundation for the Study of Industrial Society has made its mark. It already organizes exchange programmes and promotes studies on the problems of modern industrial society such as the education system, pollution, industrial co-production, job safety and humanization of the working environment. It could render an important contribution in the future by focusing public attention more sharply on Anglo-German co-operation. This is one of the objectives of the restructuring of the Foundation (greater involvement of social groups, choice of topical subjects). However, if greater stimulus is to emerge from this area the financial provisions made to the Foundation will need to be put on a firm basis and possibly increased.

On the whole, intergovernmental co-operation in the cultural field has proved useful and has led to a greater depth of exchange. In view of the increasing importance of Anglo-German cultural exchanges within the overall fabric of Anglo-German relations, both Governments should ensure even better co-ordination, such as could be achieved by establishing priorities in the form of programmes of action at the biennial Mixed Commission meetings. This consideration led in October 1983 to agreement in principle between the directors of cultural policy at the two Foreign Offices to hold annual Anglo-German consultations at director level. They are to take place for the first

time this year (on the occasion of the 16th Anglo-German consultations of Heads of Government).

7. Information and the Media

Mutual coverage by the media increased in the course of the year, even though some of the media still present considerably less information on the Federal Republic of Germany, for reasons of history. The efforts of governmental and non-governmental bodies towards a gradual improvement of this situation thus continue to play an important role:

- regular informative Anglo-German talks at departmental level;
- continuous contacts between radio, television and press editors;
- programmes of visits arranged by the Press and Information Office of the Federal Government, with invitations extended to about 60 British "multipliers" annually and by the Central Office of Information, which extends invitations to about 45 Germans each year;
- some 60 correspondents for all the German media in the United Kingdom; there are only about 20 British press correspondents in the Federal Republic, and not one single representative of British television.

The opinion each country's public has of the other has greatly improved in recent years. Occasional impediments (e.g. war films, Northern Ireland) have had no lasting effect on their growing mutual esteem. However, it must be mentioned that this welcome development is largely restricted to the better-educated strata of society and that the remainder of the population receives inadequate information as a result of the lack of coverage provided by the popular press, radio and television.

To eliminate the general and class-related differential in the United Kingdom regarding information on Germany (and Europe as a whole), expansion of the network of British correspondents in the field of television would be beneficial. Co-operation of an even closer nature between the broadcasting authorities, on the lines of the Franco-German co-operation (Haut conseil) could also prove helpful.

Both countries are in full agreement on the principle of the free flow of information across national frontiers. They both support this principle on all the relevant international bodies (including UNESCO).

Both countries occupy a leading position in the development and introduction of the "new media". Policies on satellite and cable television, however, show differences in approach. To promote the development of a basic consensus in Europe on policy towards the media, the hitherto sporadic consultations on the media should become a regular event, as is already the case with regard to other European countries. This would tend to promote the further expansion of co-ordination and co-operation, not only in Europe but also internationally and not least in the North-South context.

8. Encounter and Exchanges

The positive development of Anglo-German relations is supported by a broad base of increasing exchanges and wide-ranging encounters which have developed over the years, only in a very few cases with official assistance.

The Königswinter Conferences, held once a year in Britain and Germany alternately, are the best example of the postwar development of Anglo-German relations. Originating as a private initiative and supported up to the present day by public figures in both countries, it has from the very beginning been open to discussion of any outstanding issue and has created a new style of communication between both countries which has enveloped all groups. Thus Königswinter has

become a symbol of Anglo-German understanding. The efforts of the Wilton Park conference centre to bring about reconciliation between Britain and Germany are also worth mentioning.

Nowadays Anglo-German encounters are provided by a wide range of institutions and programmes, for instance:

- the Deutsch-Englische Gesellschaft and Anglo-German Association, the Anglo-German Foundation for the Study of Industrial Society, the Association for the Study of German Politics and the Historical Institute. The work of the cultural institutes also plays a decisive role in exchanges;
- meetings of parliamentarians at a bilateral level (Anglo-German Parliamentarians' Group) and multilaterally (Interparliamentary Union, North Atlantic Assembly);
- twinning arrangements at the local and regional level and between universities and schools, with constant new arrangements and meetings at a national level (in the field of schools alone there are over 800 Anglo-German twinning schemes with an annual exchange of 10,000 British and 20,000 German pupils);
- youth exchanges over the whole spectrum of non-scholastic youth activities through youth groups and independent public sponsors of youth and social work. These exchanges include youth groups, young workers, unemployed youths, handicapped youths as well as specialists and leaders from the youth and social work sphere; co-ordination is carried out by the Mixed Specialist Commission for Anglo-German Youth Exchanges;
- exchange of trainees, young trade unionists and other groups (Federal Central Employment Agency and Carl Duisberg Society, Central Bureau for Educational Visits and Exchanges and Man-power Services Commission);

tourism on a considerable scale in both directions: Germans form the second-largest group of visitors to Britain, while for Britons Germany is the fourth most popular holiday destination.

On the whole, however, the exchange of people between the United Kingdom and the Federal Republic of Germany is not entirely balanced. The pull exercised by English as an international language means that the greater flow of exchangees is attracted to Britain; the German side also makes more public resources available. To improve the dissemination of basic knowledge on Germany, as many younger-generation Britons as possible should find out about Germany at first hand. It is therefore desirable that more Britons should take part, with greater official encouragement, in exchange programmes.

However, in accordance with the nature of the Anglo-German encounters, which are largely based on private initiative, government assistance cannot and should not replace the independent force of these ties. The purpose of government encouragement can therefore only be to contribute wherever necessary to the maintenance of ties and to promote them selectively in particular fields. At the same time, particular care should be taken that the postwar motivation to live together on good terms is maintained in the everyday lives of new generations. It seems desirable that on both sides existing institutions should be made more accessible and their programmes adapted to take greater account of this objective.

Conclusion

A general assessment of the stage of development reached by Anglo-German relations has to begin by observing that co-operation, exchanges and contacts have attained a scope and an intensity that could never have been foreseen at the end of the Second World War. This is particularly true of the numerous personal contacts between Germans and Britons which have developed during this period. The growing links are supplemented and supported by exemplary co-operation between the two Governments.

At the same time, this review has indicated that the quality and scope of relations could usefully be developed further. This applies less to intergovernmental co-operation in matters of foreign, security and economic policy, where institutionalized and substantive consultation and collaboration have become so self-evident that there is scarcely any need for additional impetus. The need for further development, however, is greater in the spheres of cultural and scientific exchange, the media and, not least, in the sphere of encounter in all its forms to ensure that the present level is maintained and new encounters promoted in several areas.

For this purpose the creation of new institutions is less essential than the effective organization and co-ordination of the existing instruments of co-operation so that advantage can be taken of all opportunities and private initiative encouraged. In view of the budgetary situation on both sides, it is highly improbable that additional incentives could be created, over and above the current promotion of proven intermediary agencies and "multipliers", by means of substantially higher financial contributions. However, additional endeavour should be directed towards establishing new priorities in individual areas and arousing wider interest in co-operation, particularly among young people. To this end a catalogue of specific actions has been added as an annex to the present report. It outlines proposals which could be implemented during a review period (five summits, or two and a half years). The proposals are intended to serve as a basis for the preparation of joint Anglo-German conclusions from the two progress reports. The conclusions will be submitted for approval to the Heads of Government at the 15th Anglo-German summit in London.

ANNEX to the Progress Report on Anglo-German Relations

Catalogue of Action

- I. Our future efforts to develop Anglo-German relations should focus on the following areas:
 1. Increased accessibility, especially to the younger generation (promotion of youth exchanges at no less than their present volume, greater participation by the younger generation in the Anglo-German Society, widening of the scope of action of the Foundation for the Study of Industrial Society).
 2. Increased reporting, especially by British television, but also by the regional press, on Germany within the European context (European Community).
 3. Maintenance of German language teaching in schools at least at the present level as a prerequisite of a wide-ranging cultural and scientific exchange.
 4. Fairer sharing of financial burdens (increased British contributions to the exchange of university lecturers, foreign language assistants in universities and schools and of students; cultural institutes and the Anglo-German Foundation for the Study of Industrial Society all to be placed on the same footing).
 5. Greater publicity for Anglo-German co-operation.
- II. Proposals for specific action (including areas not earmarked as focal points of our future efforts)

Ad 1 Foreign Policy

- (a) Development of political contacts, possibly greater representation for the Political Foundations and exchange programmes for parliamentary assistants.
- (b) Exchange of young established civil servants from both Foreign Offices, for instance from the sections responsible for the main EPC working groups (Middle East, Eastern Europe, CSCE|CDE etc) for a limited period (about three months).

Ad 2 Security Policy

- (a) Increased participation in the other side's training courses.
- (b) More exchanges of individual servicemen, sections and entire units between equivalent arms of the services.
- (c) Promotion of exchange arrangements between German and British units. Offer of German lessons for British servicemen and their dependants.
- (d) Increased participation in the other side's military exercises.
- (e) Participation by German servicemen in adventurous training (possibly at BAOR bases).
- (f) More exchanges (including short-term exchanges) of training officers between service training establishments, officer training units and staff colleges. Where feasible, study by British officers at Bundeswehr Universities.

- (g) Increased co-operation in the medical services (more exchanges, including exchanges between training units).
- (h) Increased exchanges of senior technical officers in the field of armaments.

Ad 3 Economic and Social Policy

- (a) Encouragement of increased contacts between business associations (Confederation of British Industry|Federation of German Industries).
- (b) Early establishment of contact to avoid any trading difficulties.
- (c) Reinvigoration of co-operation between employment authorities (a written invitation has been sent by the Federal Institute of Labour to the Manpower Services Commission); resumption of the once-customary annual consultations.
- (d) Development of the hitherto sporadic co-operation in the field of health (particularly with regard to keeping down costs and recognizing private insurers and hospital operators) into annual consultations.

Ad 4 Science and Technology; the Environment

- (a) Inclusion where necessary of problems of scientific co-operation in directorial consultations within the relevant area of competence.
- (b) Evaluation and definition of projects with the collaboration of the Anglo-German Foundation for the Study of Industrial Society.

Ad 5 Justice and Home Affairs

- (a) Greater co-operation and co-ordination in combating international crime, particularly fraudulent stock-exchange deals in London.
- (b) Continued exchanges of information on matters of aliens policy (immigration, asylum, integration).
- (c) Further promotion of basic and advanced training for lawyers in the law of the other country by means of DAAD courses and lecturers, creation of in-service training opportunities (practical courses) for young lawyers in both countries (lawyers at the Referendar stage, articulated clerks).
- (d) Financing the planned biennial fact-finding trips to Germany for honorary consuls.

Ad 6 Cultural Relations

- (a) Further development of cultural policy co-ordination between the two countries by means of annual directorial consultations within the context of the Conferences of Heads of Government.
- (b) Further development of the Anglo-German Foundation for the Study of Industrial Society (see Ad 8 (a) below).
- (c) Improved utilization of German lecturers in the United Kingdom.
- (d) Equal treatment for taxation purposes of cultural institutes, as well as other cultural establishments, in both countries.

- (e) Participation of private sponsors in the financing of artistic events.
- (f) Training of British teachers for classes in German background studies given by the British Army of the Rhine.
- (g) In-service training for German teachers of English in the United Kingdom.
- (h) Co-operation between British polytechnics and German professional training colleges by means of regular meetings, particularly between the Committee of Directors of Polytechnics and the Directors of German Professional Training Colleges; talks on problems regarding mutual recognition of qualifications issued by the colleges.
- (i) More exchanges of experts on vocational training and of apprentices and advanced vocational trainees (for instance through the Educational Exchange Service of the Standing Conference of Ministers of Education and Cultural Affairs of the Federal Länder).
- (j) Exchange of views on the use of modern data-processing technology in secondary schools.

Ad 7 Information and the Media

- (a) Increased British television reporting on other member countries of the Community. Efforts to bring about the establishment of independent ITA and BBC correspondents' offices (e.g. in Brussels, Bonn or Paris).
- (b) Encouragement of co-productions in the field of television and of programme exchanges between German and British

television authorities - particularly with regard to the "new media".

- (c) Increased policy co-operation with regard to the media, particularly on matters concerning the "new media". Possible inclusion of the European Media Institute in Manchester.
- (d) Preparation of a joint information brochure with details and addresses of institutions active in the field of Anglo-German relations (including the economic and cultural sectors).
- (e) Increased co-ordination of public-relations work in the security sphere, particularly within the Euro-Group.
- (f) Greater coverage of the British Army of the Rhine (BAOR), Royal Air Force Germany (RAFG) and the British Forces Broadcasting Service (BFBS) in public-relations work in Germany and of German forces in the United Kingdom (Castle Martin).

Ad 8 Encounter and Exchanges

- (a) Increased encounter between the Anglo-German Foundation for the Study of Industrial Society on the one hand and organizations (e.g. unions and employers' associations) and the public (via the media) on the other, and encouragement of the Foundation's development into a permanent forum for questions concerning Anglo-German co-operation. Financial backing for the Foundation and expansion of the board (possibly observer status for the Foreign Offices and interested ministries).

- (b) Adaptation of all exchange programmes to allow greater participation by the younger generation. Consolidation and extension of youth exchanges, particularly by increasing the exchanges with a training or vocational aim (e.g. trainees taking up short-term employment), a greater British contribution - in financial and other terms - being desirable.

- (c) Facilitation of the release of youth workers at local and regional level in the United Kingdom responsible for international youth exchanges, to attend events aimed at improving and expanding youth exchanges (e.g. language courses, basic and further training).



FILE

DA

cc: FCO

10 DOWNING STREET

THE PRIME MINISTER

29 August 1984

Dear Mr. Clausen,

Thank you for your letter of 20 July about supplementary financing for the International Development Association.

We are disappointed that some donor governments are not prepared to subscribe more to the Association unless the United States Government does so at the outset. It is right to review the matter again next year.

The World Bank's focus on development problems in sub-Saharan Africa is timely, as the Summit Heads of Government recognised in the London Economic Declaration of 9 June. As you know, Her Majesty's Government already devotes most of the UK bilateral aid programme to the world's poorest countries, including those in sub-Saharan Africa. This region also benefits considerably from European Community assistance provided under the Lome Convention, to which the UK is a substantial contributor. We are also providing immediate disaster relief to help mitigate the effects of the drought.

The Bank's report on African problems will receive our close attention, and we shall look forward to discussing it with other governments at next month's meeting of the Development Committee.

Yours sincerely
Margaret Thatcher

Mr. A.W. Clausen

cu



Foreign and Commonwealth Office

London SW1A 2AH

24 August 1984

Dear David,

6/8/84
C.R. Budd

International Development Association (IDA)

I submit a draft reply to the enclosed letter to the Prime Minister from Mr Tom Clausen, President of the World Bank, to which you sent an acknowledgement on 8 August. The letter is basically an acceptance of the fact that, for the moment, the idea of supplementing the IDA Seventh Replenishment is not attainable. The matter is to be reviewed again next year.

The World Bank may now be intending to use its Special Report on Africa as an alternative device to try and supplement IDA resources. We shall need time to study the Report, but the Chancellor will have to react to it in a preliminary way at the 1984 Annual IMF/IBRD Meetings in Washington in September. The World Bank's Management are thinking of a special fund for Africa, without burden-sharing; but we doubt whether the United States, West German and Japanese Governments would agree to contribute, nor whether other donor governments would readily agree to abandonment of the principle of fair burden-sharing.

The Treasury have approved the draft reply.

Yours Sincerely,
Colin Budd

(C R Budd)
Private Secretary

David Barclay Esq
10 Downing Street



DRAFT LETTER FOR SIGNATURE BY THE PRIME MINISTER

To: Mr A W Clausen
President
The World Bank
WASHINGTON

Thank you for your letter of 20 July about supplementary financing for the International Development Association.

We are disappointed that some donor governments are not prepared to subscribe more to the Association unless the United States Government does so at the outset. It is right to review the matter again next year.

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The Bank's report on African problems will receive our close attention, and we shall look forward to discussing it with other governments at next month's meeting of the Development Committee.

J.A.A.F.B

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hle EU

CCFCO

10 DOWNING STREET

From the Private Secretary

8 August 1984

I am writing on behalf of the Prime Minister to thank you for your letter of 20 July, which was received in this office at the end of the month.

I have placed your letter before the Prime Minister, and a reply will be sent to you as soon as possible.

David Barclay

Mr A W Clausen

NR



Lee Ho

10 DOWNING STREET

From the Private Secretary

2 August 1984

International Development Association

I enclose a copy of a further letter to the Prime Minister from Mr. Clausen, President of the World Bank, about the fate of efforts to provide supplementary funding for the International Development Association and the idea of a separate initiative on sub-Saharan Africa.

BT / I should be grateful for advice on whether the Prime Minister needs to reply substantively at this stage. If not, I will send an acknowledgement.

I am copying this letter and its enclosure to David Peretz (H.M. Treasury) and Michael McCulloch (Mr. Raison's Office).

CHARLES POWELL

Peter Ricketts, Esq.,
Foreign and Commonwealth Office.

NR

THE WORLD BANK
Washington, D. C. 20433
U.S.A.

CCP

A. W. CLAUSEN
President

July 20, 1984

The Right Honourable
Margaret Thatcher M.P.
No. 10 Downing Street
London, SW1
United Kingdom.

Dear Prime Minister:

Thank you for your letter of June 22. We are most grateful for your efforts in support of supplementary funding for the International Development Association, and particularly for your personal intervention in this matter with Chancellor Kohl.

The German Government has just informed us that it is unprepared to support a supplementary funding scheme in which the United States does not participate. As the United States remains unlikely to change its position, we feel that, at the present time, it is not worthwhile pursuing this course of action. However, the German Government has indicated that the matter should again be taken up during 1985, and we shall do so then.

This situation gives rise to serious problems for the recipients of assistance from the Association, the poorest of which, in Sub-Saharan Africa, have already suffered greatly and face an economic situation that is steadily worsening and growing more urgent. Consequently, we have been asked to focus our attention on Sub-Saharan Africa, and we are presently preparing a comprehensive program of assistance to countries in that region. Plainly, the constrained resources of the Association are inadequate to assume this burden without seriously impairing our assistance to other recipients, primarily those in South Asia.

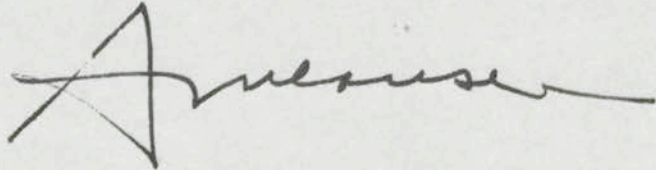
Accordingly, we are now examining several options for development initiatives in Africa and hope that we might be able to engage the interest of major donors in supporting them. While clearly this is not

as satisfactory a solution as a general supplement to the Association's funds, it will enable us to assist the hardest pressed countries as well as protect the share of other recipients. I hope that your Government, with its strong ties to countries in Africa, will be able to extend the same level of support to this initiative as you have to supplementing the Association's resources.

I should be most grateful if you would give this approach your consideration. We shall be seeking from your Government ideas on how best to proceed and my colleagues will be exploring the matter with officials in the United Kingdom.

Warm regards,

Sincerely,

A handwritten signature in dark ink, appearing to read "A. M. ...", with a long horizontal flourish extending to the right.

Germany Pt 8

Chancellors visits.

WID DALTON MASS

CRANE & CO BOND DIVISION



cc: HMT
FCO

10 DOWNING STREET

THE PRIME MINISTER

22 June 1984

Dear Mr. Clausen.

Thank you for your letter of 30 May about supplementary financing for the International Development Association.

I agree that the Association has a vital role to play in world development, and that it should be in a position to address the problems of economic policy reform which the poorest of the developing countries face most acutely. To this end, we are continuing to do what we can to persuade other major donors to IDA to join with us in providing some supplementary financing. I raised this with Chancellor Kohl during the London Economic Summit, and he assured me that the matter is under active consideration in Bonn.

Yours sincerely

Margaret Thatcher

Mr. A.W. Clausen.

DSE

GR PL type letter
with signature



10 DOWNING STREET

David Parry (HMT)
You saw the original letter from
Claire. I assure you are content
with the reply.
With the compliments of

AT

20/0



Foreign and Commonwealth Office

London SW1A 2AH

19 June, 1984

Dear Andrew,

Supplementary Funding for IDA

Please refer to your letter of 1 June forwarding a copy of a letter from Mr Tom Clausen, President of the World Bank, to the Prime Minister.

As you will know, the Prime Minister did in fact raise the matter of supplementary financing of IDA 7 with Chancellor Kohl (see the attached record). A short draft reply to Mr Clausen, recording this fact, is therefore attached.

We shall forward the signed copy of the Prime Minister's letter by bag, if you agree.

cc D Ricketts (HMT)

Yours truly,

Peter Ricketts

(P F Ricketts)
Private Secretary

Andrew Turnbull Esq
10 Downing Street

Germany Chancellor
Kohl's Obit Pt 8



DRAFT: minute/letter/teleletter/despach/note

TYPE: Draft/Final 1+

FROM: Prime Minister

Reference

DEPARTMENT:

TEL. NO:

SECURITY CLASSIFICATION

- Top Secret
- Secret
- Confidential
- Restricted
- Unclassified

TO: Mr A W Clausen
 The World Bank
 1818 H Street NW
 Washington DC 20433
 USA

Your Reference

Copies to:

PRIVACY MARKING

.....In Confidence

CAVEAT.....

SUBJECT:

Thank you for your letter of 30 May about supplementary financing for the International Development Association.

I agree that the Association has a vital role to play in world development, and that it should be in a position to address the problems of economic policy reform which the poorest of the developing countries face most acutely. To this end, we are continuing to do what we can to persuade other major donors to IDA to join with us in providing some supplementary financing. I raised this with Chancellor Kohl during the London Economic Summit, and he assured me that the matter is under active consideration in Bonn.

Enclosures—flag(s).....

subject

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File Kb
ccMaster

10 DOWNING STREET

From the Principal Private Secretary

9 June 1984

Dear Len,

I enclose the record of the Prime Minister's and the Foreign and Commonwealth Secretary's bilateral meeting with Chancellor Kohl and Herr Genscher at Lancaster House on 8 June during the Summit Meeting.

I am sending copies of this letter and enclosure to David Peretz (H.M. Treasury) and Richard Hatfield (Cabinet Office).

Yours ever,

Robin Butler

Len Appleyard, Esq.,
Foreign and Commonwealth Office.

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File 16

CONFIDENTIAL

RECORD OF A BILATERAL MEETING BETWEEN THE PRIME MINISTER AND
THE FOREIGN AND COMMONWEALTH SECRETARY AND CHANCELLOR KOHL
AND HERR GENSCHER AT THE SUMMIT MEETING AT 1800 HOURS ON
FRIDAY 8 JUNE 1984

PRESENT

The Prime Minister
Foreign and Commonwealth Secretary
Sir Julian Bullard
Mr. F.E.R. Butler

Chancellor Kohl
Herr Genscher
Herr Horst Teltschik
Interpreters

COMMUNITY ISSUES

The Prime Minister reminded Chancellor Kohl that she had undertaken to prepare some thoughts on the future of Europe. She handed him a copy of this paper and said that she would also make it available to Signor Craxi during the Summit and give it to other members of the Community before Fontainbleau.

Turning to the budget issues, the Prime Minister said that she had been very pleased with her meeting with Chancellor Kohl at Chequers and had hoped that, following her subsequent meeting with President Mitterrand, progress would be made towards agreement on the budgetary system and strict financial guidelines before the European elections. These hopes had not been fulfilled and she now did not know whether agreement would be reached at Fontainbleau. The UK Government wanted an agreement but she had heard

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reports that the agenda at Fontainebleau would provide very limited time for discussion of this issue. That would only be acceptable if the task left for Fontainebleau was to endorse an agreement which had been substantially agreed beforehand.

Chancellor Kohl said that it would not be acceptable to leave inadequate time to settle the budget problems at Fontainebleau. The best course would be for Heads of Government to know when they went to Fontainebleau what the outlines of the solution would be. He had expressed this view to President Mitterrand. Herr Genscher intervened to ask whether M. Dumas had put a new proposition to the Foreign and Commonwealth Secretary this week. The Foreign and Commonwealth Secretary said that M. Dumas had not put any new proposition: their talk had been on the basis that the negotiations should start again at Fontainebleau from the position reached in Brussels.

Chancellor Kohl said that the German interest was in achieving a system which would give certainty about their contribution even if they had to pay more. He would try to speak to President Mitterrand again during the Summit and would let the Prime Minister know of any outcome. He would also talk to Signor Craxi and Mr. Martens before Fontainebleau. He hoped that this matter could be settled at Fontainebleau because the present situation was psychologically bad for the whole Community. People could not understand why the Community was not achieving the opportunities available from being the biggest market in the world. The Foreign and Commonwealth Secretary agreed. In his speeches in the European elections he had found a sense of impatience and frustration with the Community. But there would not be progress to achieving the Community's potential until its financial structures were reformed. The

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Prime Minister added that another reason for settling the financial issues was to get Spain and Portugal into the Community.

CHANCELLOR KOHL'S VISIT TO ARGENTINA

The Prime Minister referred to Chancellor Kohl's forthcoming visit to Argentina. The UK Government were having difficulty in making progress towards normalising relations with Argentina as they wished because the Argentines insisted on discussing the sovereignty of the Falklands. She hoped that Chancellor Kohl would urge them to be realistic about this. She could not discuss sovereignty after British lives had been lost in recovering the Islands, but this should not be an obstacle to moving towards normal commercial relations.

Chancellor Kohl said that he would do what he could. Now that Argentina had a democratic government, there was everything to be said for moving towards normal relations. He reminded the Prime Minister that, following her request to him, the German Government had refused to supply torpedoes to Argentina and were maintaining their position now. The Prime Minister said that Britain was very grateful for this.

Herr Genscher mentioned reports that British salesmen were exploiting the German refusal to supply arms to Argentina by saying that the Germans were not reliable trading partners. The Prime Minister said that if he would let her have details she would have any such reports investigated.

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IDA REPLENISHMENT

The Prime Minister said that the \$9 billion IDA replenishment was not sufficient. She hoped that other countries would agree to increase it. Britain was ready to do so. She had not raised this during the general meetings at the Summit because she knew that it would be unwelcome to the United States. Chancellor Kohl said that Herr Genscher favoured subscription by Germany and the German Government would be considering this further.

SUMMIT ISSUES

Referring to the Summit discussion of the Declaration of Democratic Values, The Prime Minister said that she had been concerned by France's reluctance to agree to the inclusion of a statement that the security of each was of concern to all. Chancellor Kohl agreed. But President Mitterrand's position on defence in Europe was nevertheless a strong one and he was a reliable partner. Chancellor Kohl said that he had felt unable to see why Mr. Trudeau could not accept that there could be no satisfactory peace without freedom. Mr. Trudeau could not understand the problems of Europe where peace in Poland, for example, was merely the absence of war. What was the value of peace if people did not have the basic personal freedoms of action and expression? The Prime Minister agreed, but commented that nevertheless satisfactory sentences had eventually been achieved in the Declaration.

In further discussion of Summit issues, the Prime Minister said that she hoped to include in the Declaration some elements which would give hope for young people. That was why she had wanted to include an initiative on the environment. She was worried about the greater difficulty

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in Europe in achieving new jobs, compared with the United States and Japan. There was a culture of enterprise in the United States which made it much easier to start new businesses: although it was difficult to say so, one factor might be the greater featherbedding of people through the social security systems in Europe. Chancellor Kohl agreed. Germany was now possibly paying the price for Hitler since people who had lost everything were reluctant to risk what they had now achieved. Another factor was the excess of bureaucracy and legal regulation. The Foreign and Commonwealth Secretary referred to the absence of standardisation in Europe and the greater regulation of employment, compared with the United States, which made employers reluctant to take on labour.

The meeting ended at 1845 hours.

9 June 1984

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Foreign and Commonwealth Office

London SW1A 2AH

7 June 1984

John Taylor

Prime Minister's Meeting with Chancellor Kohl

The Foreign Secretary has asked me to draw to your attention the enclosed personal telegram from Sir J Taylor. You might find it helpful to include it in the briefing material for the Prime Minister's bilateral with Chancellor Kohl.

John Taylor
R B Bone

(R B Bone)
Private Secretary

A J Coles Esq
10 Downing Street

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GRS 500

CONFIDENTIAL

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TO IMMEDIATE FCO

TELEGRAM NUMBER 566 OF 07 JUNE

PERSONAL FOR SECRETARY OF STATE
CHANCELLOR KOHL AND EUROPEAN QUESTIONS

SUMMARY

1. THE PRIME MINISTER'S BILATERAL MEETING WITH KOHL ON 9 JUNE MAY BE IMPORTANT FOR HIS FUTURE ATTITUDE TO BRITAIN AND THE COMMUNITY. IF HE COMES AWAY WITH HOPE THAT WE WILL JOIN IN NEW STEPS IN EUROPE, HIS WILLINGNESS TO HELP PROMOTE A BUDGET SETTLEMENT AT FONTAINEBLEAU MAY BE INCREASED AND HIS TENDENCY TO COLLUDE WITH FRANCE WITHOUT CONSULTING US ON NEW IMPULSES FOR EUROPE MAY BE LESSENERD.

ARGUMENT

2. CHANCELLOR KOHL'S VIEW OF BRITAIN'S ROLE IN THE COMMUNITY HAS GROWN INCREASINGLY SCEPTICAL. HE WAS BADLY PUT OUT BY THE CRITICISM IN THE BRITISH PRESS OF HIS PERFORMANCE AT THE BRUSSELS SUMMIT. HIS IMMEDIATE ADVISERS HAVE TOLD US OF HIS REGRET AT THE PRIME MINISTER'S REMARKS ABOUT EUROPEAN UNION EARLIER THIS WEEK. ON THE OTHER HAND, THE BILATERAL SUMMIT AT CHEQUERS A MONTH AGO WENT WELL. AFTER MEETING MITTERRAND ON 20 MAY, KOHL SAID THAT PROGRESS COULD ONLY BE ACHIEVED ON THE BUDGET IF ALL SIDES MOVED TOWARDS EACH OTHER (BONN TEL NO 512). AND IN THE BUNDESTAG YESTERDAY (BONN TEL NO 562) HE WAS POSITIVE ABOUT THE CHANCES OF SUCCESS ON THE BUDGET AT FONTAINEBLEAU. I JUDGE THAT HE STILL WOULD DEFINITELY PREFER TO GET THE BUDGET PROBLEM OUT OF THE WAY NOW AND TO HAVE BRITAIN INVOLVED IN THE NEW MOVES FORWARD IN EUROPE WHICH HE IS DETERMINED TO LAUNCH, PROBABLY IRRESPECTIVE OF THE OUTCOME ON THE BUDGET AT FONTAINEBLEAU.

3. I AM THEREFORE VERY GLAD THAT THE PRIME MINISTER WILL BE HANDING KOHL THIS WEEK A PAPER ON BRITISH VIEWS ON THE FUTURE OF EUROPE. I RECOMMEND THAT MRS THATCHER SHOULD PRESENT THIS IN POSITIVE TERMS, DECLARING BRITAIN'S INTEREST AND DETERMINATION TO MAKE CONCRETE PROGRESS WHICH REALLY WILL BENEFIT EUROPE AND EMPHASISING THE POLITICAL AND ALSO THE SECURITY ASPECTS OF WHAT CAN BE ACHIEVED. YOU WILL RECALL THAT KOHL IN HIS SPEECH AT OXFORD AFTER THE RECENT ANGLO-GERMAN SUMMIT APPEALED DIRECTLY TO COMMUNITY MEMBERS TO DECLARE THE IRREVERSIBILITY OF THE PROCESS OF BUILDING EUROPE. HE HAS RETURNED MANY TIMES TO THIS THEME, AND OBVIOUSLY CARES VERY MUCH ABOUT IT. DESPITE THE VAGUENESS OF THE IDEA OF "IRREVERSIBILITY", I BELIEVE THAT IF THE PRIME MINISTER WERE TO USE THIS WORD TO KOHL, THE POSITIVE EFFECT COULD BE CONSIDERABLE. KOHL IS WONT TO TALK EQUALLY UNSPECIFICALLY ABOUT WHAT HE CALLS EUROPEAN UNION. I SEE NO NEED FOR THE PRIME MINISTER TO USE THIS TERM, BUT SUGGEST THAT, SIMPLY TO SHOW UNDERSTANDING OF THE IMPORTANCE KOHL ATTACHES TO HIS IDEAS, MRS THATCHER SHOULD TELL HIM THAT THE UK IS WILLING TO LOOK CAREFULLY, NOT ONLY AT THE CONCRETE IDEAS IN THE BRITISH PAPER BUT ALSO AT ALL THOSE ADVANCED BY GERMANY AND OTHER PARTNERS: AND THAT LIKE HIM SHE BELIEVES THAT THE COMMUNITY NEEDS A POLITICAL PERSPECTIVE.

4. I BELIEVE THAT SUCH A LINE WITH KOHL, COUPLED WITH REPETITION OF THE PRIME MINISTER'S WILLINGNESS TO MOVE SOMEWHAT ON THE BUDGET PROVIDED THIS WILL PRODUCE A SETTLEMENT, MIGHT WELL INFLUENCE POSITIVELY THE MOOD IN WHICH KOHL APPROACHES THE BUDGET DISCUSSION AT FONTAINEBLEAU AND STRENGTHEN HIS WISH FOR BRITISH INVOLVEMENT IN THE DISCUSSION OF FUTURE DEVELOPMENTS IN THE EC.

TAYLOR

NNNN

07. JUN 1984



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COVERING CONFIDENTIAL

Prime Minister

*Not essential reading
but you may like to glance
at it.*

Foreign and Commonwealth Office

London SW1A 2AH

FERB



6 June, 1984

John John

Chancellor Kohl and German Reunification

/ The Foreign Secretary thought the Prime Minister might
be interested in the enclosed note which we have prepared
by way of comment on Chancellor Kohl's Konrad Adenauer
memorial lecture at Oxford, which she attended on 2 May.
Sir Geoffrey Howe was interested in the article by
Timothy Garton Ash in The Spectator on 12 May, dealing with
Kohl's lecture. The note takes account of it. I am enclosing
/ / The Spectator article and the English text of Kohl's lecture.

John
R B Bone

(R B Bone)
Private Secretary

A J Coles Esq
10 Downing Street

COVERING CONFIDENTIAL

CHANCELLOR KOHL'S KONRAD ADENAUER MEMORIAL LECTURE AT OXFORD
ON 2 MAY 1984

1. Kohl's lecture was a comprehensive if somewhat turgid account of his view of Germany's place in the world and his priorities in foreign policy. He is undoubtedly greatly preoccupied with the question of the division of Germany (as is the Federal President elect, Richard von Weizsaecker). His lecture got a largely favourable press in both Germany and Britain. The most interesting analysis in the British press was by Timothy Garton Ash (an expert on Germany) in The Spectator on 12 May.
2. Kohl's central thesis was that Adenauer took a decisive and irreversible decision to anchor the FRG (what Kohl calls the free part of Germany) in the western family of nations, notably in NATO and the European Community. Kohl claimed that he unreservedly endorsed this strategic decision. NATO, for example, he called the 'central element of our raison d'etat'. However, Kohl also insisted that he (and, he believed, the German people) would never give up the idea of reunifying the nation, however long this might take. Immediately, the free Germans had a duty to look after their 17 million compatriots who were oppressed by a communist dictatorship.
3. Kohl argues that the division of Germany can only be overcome within the context of overcoming the division of Europe; for example on page 12: 'Our passionate advocacy of European unification stems to a great extent from awareness that a positive settlement of the German question is only conceivable within a greater European framework'. Kohl appreciates, of course, that overcoming the division of Germany is a very long term objective indeed. Meanwhile, he argues, Germany attaches the greatest priority to uniting Western Europe.



4. On pages 7 and 8 of the lecture Kohl rehearses his familiar theme that the economic and budgetary aspects of the Community are of secondary importance to political union. 'We in the Federal Republic of Germany are prepared to work for the political union of Europe without ifs and buts'. Kohl gave great emphasis to this part of his speech. Richard von Weizsaecker has often made the same point. For Germany a Free Trade Area plus political cooperation are not a sufficient European policy.

5. In his lecture Kohl reviewed German foreign policy across the board; but the passages on relations with the Third World (which come towards the end) although sincere, seemed perfunctory and mainly for the record. Kohl summed up his real interest on page 15: 'The national question, German unity and freedom, European reunification and the security of Europe will continue to receive the special attention of future Federal governments'.

6. Timothy Garton Ash has drawn attention in *The Spectator* to Kohl's reference to the Locarno Pact concluded by Chamberlain, Briand and Gustav Stresemann, the best known Foreign Minister of the Weimar Republic (there were no references to Stresemann in the draft provided for Kohl by his officials). Kohl suggested in his lecture (page 5) that Stresemann, together with Chamberlain and Briand, had made a great and largely unrecognised effort to integrate Germany in Western Europe. Stresemann did indeed inaugurate an era of good relations with France in which Germany was accepted into the family of nations entering, for example, the League of Nations. But in praising Stresemann Kohl gave rise to doubts, voiced by Timothy Garton Ash, about his true aims in Europe. Most historians would accept Professor Gordon Craig's assessment of Stresemann that he was concerned with the urgent national requirements of regaining full sovereignty and independence for Germany.



7. A central feature of Stresemann's policy in national questions was the restoration of German power in Eastern Europe. Like almost all German politicians of his time Stresemann regarded the Polish state established in 1919 as an aberration that had grown powerful only because of the temporary weakness of both Russia and Germany, and the collapse of Austria, the three powers which had combined to eradicate Poland from the map at the end of the 18th century. This community of interest with Russia found its clearest expression in the Nazi/Soviet pact of August 1939.

8. There is no evidence in his Adenauer Memorial Lecture or elsewhere that Kohl aspires to emulate Stresemann in Eastern Europe. Kohl has fully accepted the Eastern treaties concluded by the SPD Government with Poland and the Soviet Union in 1970; the FRG thereby renounced force as a means of changing the existing frontiers in Europe. Moreover, Kohl appears to share the very widespread contemporary German feelings of guilt and goodwill towards Poland.

9. However, some people in France, and to some extent in the USA, have expressed concern that in reviving the German national question and claiming continuity with figures such as Stresemann, Kohl may revive potentially dangerous dreams and ambitions in Germany, and open Pandora's box. Their concern is that if the German people come to attach great importance to reunification as a goal of policy to be actively pursued, they will see that the route chosen by Kohl (overcoming the division of Europe and thereby the division of Germany) is most unlikely to succeed within any conceivable time-scale. They fear therefore that the Germans might opt for neutralist, nationalist policies which would make it less easy for the Russians to block the path to German unity. (The Poles and the Russians react to talk of reunification by accusing Kohl of revanchism - aspiring to alter the results of the Second World War, in particular the westward shift of Poland).

/10. None



10. None of these German aspirations amount to immediate practical plans; but there is no doubt that whereas France (and indeed the UK) are content with the status quo in Europe, the Germans are not. This dissatisfaction with the status quo of a divided Germany is bound to lead to speculation as to the implications of German efforts to find a way of keeping the aspiration to reunification alive.

11. Kohl's answer to the concerns expressed in France, discernible in his Adenauer Lecture, is that the aspiration of the German people for reunification must be channelled into safe enthusiasm for European union. That is why Kohl advocates it so passionately and is sometimes so frustrated by the priority attached by others to bookkeeping and agricultural surpluses. His lecture at Oxford was a clear statement of his view that for Germany these problems are of secondary importance. They have to be overcome nonetheless because they constitute a block on the road to European union and thus to his (very long term) ambitions for Germany.

1 June 1984

Europa über Alles

Timothy Garton Ash

Great lecture
but analysis
of this theme?

Last week Chancellor Helmut Kohl gave the Konrad Adenauer Memorial lecture at Oxford, in the presence of the Prime Minister. What he had to say about Germany and Europe may be summarised in three propositions:

1) The long-term goal of all West German governments, but particularly of his government, is to overcome the division of Germany, and therefore of Europe.

2) For the Federal Republic, total commitment to the democratic West, and its alliances, is the only possible path towards this goal.

3) So total is the commitment of the Federal Republic to Europe and the West that it would like the EEC to move forward *schnellstens* towards a United States of Europe.

Neither the truth nor the connecting inner logic of these propositions is self-evident. Take 2) for a start. For so long as it was a nation-state, Germany was wont to manoeuvre between East and West —

specifically, between Russia on the one side, France and Britain on the other. In the 1950s there were compelling reasons for West Germany, the half-nation-state, to return to this traditional *Schaukelpolitik*. As Professor Hans-Peter Schwarz argued in the Konrad Adenauer Memorial lecture at Oxford four years ago, 'the conviction was general that Moscow held the key to reunification'. There was nothing inevitable about Adenauer's grand commitment to the West. Professor Schwarz concluded that 'if, in the future, Bonn was to opt again for a middle path, Adenauer's decision in favour of an anti-Russian policy and a lasting alliance with the Western democracies would only be a temporary affair in the long course of German policy towards Russia.'

Since Adenauer's time, the Federal Republic, under its Social Democrat Chancellors Brandt and Schmidt, has of course developed a distinctive policy towards the East (*Ostpolitik*). And one of the more remarkable features of Dr Kohl's Chancellorship is the way in which, while claiming to be Adenauer's heir, he has taken over the Social Democrats' *Ostpolitik* almost whole — especially in relations with East Germany. The reasons are not far to seek. There is a general consensus in Bonn that the development of a special working relationship with the government of East Germany has brought the Germans in East and West closer together, while at the same time improving West Germany's position in international affairs. In other words, it is seen as being in Germany's *national interest* — and the right-wing nationalist Franz Josef Strauss sees this as clearly as any leftist lover of *détente*.

There is, however, a vital corollary. As Chancellor Kohl clearly acknowledged in a discussion after his lecture, the key to what the East German Government does lies in Moscow. Now, since good relations with the German Democratic Republic are thought by all the main parties in Bonn to

Germany's national interest, and since good relations with the GDR are rightly seen to depend on relations with the Soviet Union, it follows that West Germany must (like all previous Germanies) have a special interest in good relations with Russia. I believe there is a substantial consensus on this point in West Germany — more substantial than the consensus on, say, the necessity of deploying Cruise and Pershing missiles. It may even be a rational consensus. Arguably, if your purpose is to keep the nation together (at least in spirit, human contacts and so forth), then, for that purpose, Moscow is more important to you than Washington. Eastern approaches, not Western alliances, allow German to meet German in Weimar or East Berlin.

Nor is this morally reprehensible. It is a government's business to pursue what it believes to be the national interest. It is what we expect our government to do.

No, the problem is what the government says. What Dr Kohl said last week, with lugubrious pathos, was that poor old Germany, having suffered so much at the hands of history — two lost wars, two inflations, partition, the deportations from the East (his list) would be heartily delighted to surrender its (half-) nation-statehood for the sake of a larger European community. 'The question is,' as he put it to the Bundestag in March, 'who is prepared to follow us on the way to European political union with the stated objective of a United States of Europe' (my italics)? Lead on, Germany! As Prussia 'went up' into Germany, so Germany will go up into Europe.

But why this heroic self-sacrifice? And how does proposition 3) square with proposition 1)? For what would be the Russian reaction to this United States of Western Europe? Hardly, one imagines, to urge the benefits of membership on its East European satellites. Unless, of course, they were offered the kind of secret membership which East Germany currently enjoys in the EEC — many benefits, no disadvantages. If I read Dr Kohl aright, this is roughly how he would square the circle. The U S of E would pursue towards Eastern Europe — but especially towards East Germany — the policies which West Germany is currently pursuing towards East Germany. In return for political recognition and a great deal of money, the communist regimes would allow us (East and West Germans/Europeans) to see a bit more of each other. As the theologians of *Ostpolitik* put it, we must accept the division of Europe in order to overcome it. Germany will give up her national sovereignty (proposition 3) in order to regain it (proposition 1).

At moments like these I wish I had read more Hegel. Such dialectics are beyond me. But let every people pursue its own salvation in its own way. All I object to is being told that their interests are necessarily our interests. And I can think of the odd Frenchman or Pole who would join me in questioning the automatic equation of Germany's interest with Europe's interest.

To say that 'to end the division of Europe it is essential to end the division of Germany' is not merely true — it is a truism. It is like saying that to get from Southwark to St Paul's you have to cross the Thames. But in this case the reverse does not follow, particularly if you take the current West German gradualist view of 'overcoming the division of Germany'. It is perfectly possible for Germans to be getting closer together while other European peoples are being held farther apart. Of course the disjuncture cannot be total, but this is very much what has happened over the two years since martial law was imposed in Poland.

The special German-German rapprochement may be a good thing. It may be a bad thing. But it is not the same thing as the healing of Europe. Perhaps all of Western Europe should try to treat all of Eastern Europe as West Germany treats East Germany. Or perhaps it shouldn't. But at least

we should know what we're talking about.

Chancellor Kohl was trained as an historian. Expatriating upon Adenauer's integration of Germany into the West, he observed that this was actually Germany's second attempt at *Westintegration*: the first was made by Gustav Stresemann in the Locarno Treaty of 1925. Turning to Gordon Craig's *Oxford History of Germany*, I read:

Stresemann was no more a 'good European' than Austen Chamberlain or Aristide Briand or any other of the leading statesmen of his time. He was capable of using the sentimental rhetoric that was the characteristic style of the proponents of a future United States of Europe, but he was no believer in that grand design. As a German statesman, he felt that it was his obligation to concern himself with urgent national requirements, and the goal he set himself was to regain full sovereignty and independence for his country.

Translation
105 - 84/1280

Konrad Adenauer Lecture given by Dr Helmut Kohl,
Chancellor of the Federal Republic of Germany,
in Oxford on 2 May 1984

Mr Vice-Chancellor,
Mr Warden,
Prime Minister,
Excellencies,
My Lords,
Ladies and gentlemen,

It is a great honour for me and it gives me great pleasure to be able to speak to you today in Oxford. This is a place where history and tradition are blended so well with the present, a blend which augurs well for the future.

There are close links between St. Antony's College and the Federal Republic of Germany. As Chancellor of the Federal Republic, I welcome this opportunity to outline some of the main aspects of my Government's foreign policy to citizens of a country whose democratic traditions and virtues have long earned it particular respect among the German people.

I find it particularly gratifying to be here as Chairman of the Christian Democratic Union of Germany and to be able to deliver this year's Konrad Adenauer Lecture in that capacity.

Thirdly, as a founder member of the Konrad Adenauer Foundation and a member of its Board of Trustees, I am grateful that this visit has given me the opportunity to underline the particularly close and friendly relationship which exists between the Foundation and your College.

Birkbeck College
London

Mr. Llewellyn Smith

AM 17/5

There are a host of reasons why my remarks on the foreign policy of the present Federal Government should relate to the policy of the first Chancellor of the Federal Republic of Germany and the first Chairman of my party after its establishment, following the war and the Nazi barbarism: Konrad Adenauer, the man to whose legacy I am firmly committed.

Adenauer's policy, and hence the history of the foundation of the Federal Republic of Germany, can only be understood at home and abroad in the light of the personal experiences of this man, reflecting at the same time the personal experiences of his entire generation. It is no coincidence that the lives of the three figures most instrumental in establishing the Federal Republic after the Nazi period - Kurt Schumacher of the Social Democratic Party, Theodor Heuss of the Free Democratic Party, the first President of our Republic, and Konrad Adenauer of the Christian Democratic Union - should have spanned the years from the German Empire prior to 1914 through the Weimar Republic, the first and sadly unsuccessful democracy in Germany between 1918 and 1933, and the Nazi horror up to the foundation of the Federal Republic of Germany.

..

Like the other two architects of our Federal Republic of Germany, Konrad Adenauer's life epitomized the high and low points of the history of the Germans during that period. Personal and historical experience enabled these men, like many other men and women of goodwill of all democratic persuasions, to set about creating a liberal order after the war and rebuilding their country from the ashes. And this word "ashes" should be understood in two senses: in the material sense as the ruins of our towns and villages, our flats, houses and production plants but also in the metaphysical sense as the bitter awareness of the devastation Hitler had wrought upon our people.

Germany - that is, the free part of our fatherland in which a liberal order could be built - had to be led out of isolation and disgrace at this historical juncture and reinstated as a respected member of the world community.

Only in retrospect - I myself was still at school and university during those years - can one appreciate the vastness of the problems which had to be

faced; ours was a divided country torn by social upheaval, which Stalin hoped would become ripe for the world revolution along with the rest of Central Europe through the expulsion of millions of people from Eastern to Central Europe following Yalta. More than ten million expellees and refugees were homeless and had to be integrated. Eighteen million Germans found themselves under the Communist heel. The fate of Berlin, the former Eastern provinces and the Saarland was in the balance. The system of Allied control brought about by the 1945 Potsdam Agreement did not come to an end until 1955.

Internationally, the Federal Republic of Germany was subjected to a mixture of threats and enticements by the Soviet Union. Europe was fragmented. The policies of France and the United Kingdom were not free of uncertainty regarding the future of Germany. A revival of United States isolationism reminiscent of the twenties following the Treaty of Versailles was not entirely out of the question.

It is against this background that the strategy pursued by Konrad Adenauer at that time has to be judged. He recognized that if it were ever true that a country's fate is decided by its foreign policy, it was true of Germany. I said "was true", but it would be more correct to say "is true", since the premise still holds good today. This close intertwining of domestic and foreign policy has remained an essential feature of our subsequent development.

Konrad Adenauer laid the foundations of modern German politics; he played a decisive part in developing the Christian Democratic Union of Germany and its Bavarian sister party, the Christian Social Union, into the largest centrist popular bloc in Germany alongside the old-established Social Democrats. The CDU and CSU today form sturdy pillars of the German political system and will surely remain so.

By introducing the social market economy - which for us has always been more of a social order than just a matter of expediency - Konrad Adenauer and Ludwig Erhard created the conditions for growing prosperity and an

exemplary system of social justice. During the fifties none of us could have foreseen just how sound this social security system would prove in the face of the social pressures of the late seventies and especially of the early eighties, when our Federal Republic experienced mass unemployment for the first time. The effectiveness of this system has contributed significantly to internal peace and social justice.

And it is no coincidence that over the past few decades our country has been one of those least affected by strikes.

Adenauer knew, however, that only within a community of like-minded States and peoples could the stability of German democracy, peace, freedom and social justice be permanently ensured in the face of totalitarian Communism at the dividing line between East and West.

His decision to opt for a free Europe, for an alliance with the United States and for the North Atlantic Alliance, a decision endorsed by the Germans in all our elections, amounted to more than merely a wish to safeguard peace. The supreme objective for him was to preserve freedom, as it is for us today.

It was with good reason that I said in my first Government policy statement on 13 October 1982:

"For us Germans the Alliance (i.e. the Atlantic Alliance) is the central element of our raison d'état." The term "raison d'état", in this context comprises more than a mere definition of political objectives.

"It embraces

- the basic values of our liberal constitution to which we are committed,
- the economic and social system under which we live, and
- the security that we need."

The concept of Europe, the future of free Europe, therefore means more to us Germans than the demand for a flourishing free-trade zone or economic community.

Adenauer's decision to integrate free Germany unreservedly and irrevocably into the free world of democratic nations was a momentous act unprecedented in our history.

Ladies and gentlemen, for many centuries the strategic corridors which crossed in the centre of our continent were of vital importance within the European power system, hence the struggle by all powers to wield influence in Central Europe.

Throughout those centuries the Europeanization of the heart of the continent was always a source of both temptation and doom to us Germans: temptation, because the attainment of nationhood would necessitate a rebellion against the prevailing power system. It is not surprising, then, that the nation-state as forged by Bismarck in 1870|71 lasted only until 1945 and thus had a far shorter lifespan than other European nation-states. Doom, because Central Europe could not be in full control of its own destiny and because any revolt against the status quo threatened its very existence, heralding partition and, all too frequently, disaster.

Adenauer was concerned that renewed German nationalism, the prevalence of short-sighted pacifism and neutralism might cause distrust of Germany to break out anew. Adenauer's policy of integration into the West sought to counteract this danger and to safeguard democracy in Germany.

This was the second and most recent major effort in the history of this century to integrate the Germans into the West. I wish to emphasize, particularly here in Oxford, that in my view we today largely fail to appreciate the great achievement by Neville Chamberlain, the British Foreign Secretary at the time, in bringing about the Locarno Conference of 1924|25 along with Gustav Stresemann and Aristide Briand, the German and French Foreign Ministers.

The peoples of Europe had to pay heavily for the short-sightedness of those days in Paris and Berlin, occasionally in London and, I am sure, in Washington, too, which prevented this work from being completed. History never repeats itself, but we today, particularly we in Germany with the specific challenge facing us, should not forget for one moment that the more recent integration of Germany into the West constitutes the second such grand design in history and is a great achievement which must be cherished.

The relevance of Adenauer's decision to our times is illustrated by those developments in Europe which can be grouped under the broad heading of "anti-Americanism". We should keep a watchful eye on such developments; I need not spell out their possible repercussions on the European order.

It is precisely this danger which illustrates the importance of the fact underlined in my policy statement that the decision of the Federal Republic of Germany in favour of European integration and the Atlantic Alliance is irreversible and an element of our "raison d'état", implying for the Germans the correct but bitter conclusion that freedom has priority over unification, that it would not help the people of Leipzig to be reunited in a Communist Germany if the majority of Germans thereby surrendered their freedom. This is much easier to say in Oxford, far removed from the iron curtain and the Berlin Wall, than when one is facing one's own kith and kin in Leipzig, Dresden, Potsdam or East Berlin. The partition is not just an academic exercise; it is a division which cuts right through families. There are many families in which chance has ordained that the brother lives in Bonn or Frankfurt while the sister lives in Leipzig or Dresden.

Today Europe and the European Community are faced by the question of whether we are capable of activating effectively the voice of Europe at this historical moment, whether we are able to advance the process of European unification. It is of prime importance that this task be approached from the perspective formulated in the preamble to the EEC Treaty, in which the founders of the European Community announced their determination to lay the foundations of an ever closer union among the peoples of Europe.

This wording is unambiguous. It says clearly that this Community, metaphorically speaking, is more than just a bank into which members deposit a sum of money in the firm expectation that they will subsequently be able to withdraw a larger sum.

It must be made clear that all member States of the Community consider themselves permanently committed to the goal of European unification and that they regard the process which has brought us this far along the road as irreversible.

The discussion following the Brussels summit meeting is reason enough to recall these guidelines. Brussels was a bitter disappointment for the European public. Nevertheless, I must make a plea for fairness: it must not be forgotten that, notwithstanding the unsatisfactory result in Brussels, we had managed by the first months of this year to complete most of the tasks we set ourselves at the Stuttgart summit in the summer of 1983.

A few major items remain to be settled. Though this may be an unsatisfactory state of affairs, I make a fervent plea for greater stamina in tackling this historical task and patience in reaching the decisions it requires.

Those familiar with the history of Europe and its nation-states, characterized more by antagonism than co-operation over three centuries, know that the belief that three hundred years of historical development can suddenly be overturned within the space of thirty years is presumptuous and indicates a lack of respect for historical responsibility.

In the German Bundestag debate on the Brussels meeting, I said that extreme care must be taken not to pass judgement on others. I am aware that a nation such as mine, which has lost two wars during this century, has had its assets depleted by two inflation crises and has suffered partition and the expulsion of many millions of its people, to which I have already referred, that such a nation finds it easier to adjust itself to a future within a larger unit under the European umbrella than those nations which - thank God - have been spared such misfortunes.

At the European Council meeting in Brussels we did all in our power to try to make the summit meeting a success. This has been and will remain the policy of my Government, for we are firmly convinced that only the further development of the Community holds out the promise of an ever closer union of the free peoples of Europe.

For that reason every Federal Chancellor since Konrad Adenauer, notwithstanding party affiliations, has urged that national demands, justified though they may be, should be subordinated to the survival of the Community. I firmly believe in this principle. Not for one moment shall we lose sight of this goal, for we know what is at stake for our continent, at least for our part of the continent.

It is still a question of whether Europe is capable, given the complexities of the international situation, given the military threat, economic and ecological problems, to bring the interests of its member States to a common denominator and to unite. And this unity will eventually require a tighter political organization.

Europe must learn to speak with one voice. This one voice is important, for instance, in relations with our friends and partners in the United States. The question of the moment - and not just in view of the coming elections for the second session of the European Parliament, is this: is every member of the Community prepared to regard its membership as irrevocable, as irreversible, even during the hardest of times? We in the Federal Republic of Germany are.

Are all members prepared to work for the political union of Europe without ifs and buts? I shall say it again: we in the Federal Republic of Germany are.

I hope that our partners can answer these questions in a similar manner.

We shall not be able to go on discussing exclusively economic and political matters in the Community. It is, in my view, impossible to talk within the

circle of Heads of State and Government about the distribution of European Currency Units, agricultural policies and milk quotas and act as if the central and fateful question of how we can best preserve our peace and freedom were no concern of ours. We cannot divide the free part of Europe into two camps. We all participate in economic progress, but only some of us take responsibility for our security.

This does not in any way imply that we seek to construct an alternative to NATO. But, as things stand, the image of a transatlantic bridge is inaccurate. The essence of a bridge is that it has a deck and two pillars. You can draw your own conclusions on whether the European abutment of this Atlantic bridge linking us with Canada and the United States of America is built to meet even the simplest of political and structural requirements.

In addition, what makes this Alliance of free peoples, NATO, absolutely indispensable to us is the fact that the Western powers are confronted on European soil by the imperialist pretensions of the Soviet super-power.

But it is essential that Europeans should increase their weight and influence in NATO, that they should assert their own specific interests more effectively than in the past. The Atlantic Alliance must be adapted to the conditions and demands of the future and its European pillar be strengthened.

At the same time it is important to the Federal Government and the vast majority of the population of the Federal Republic that NATO, and particularly the close friendship and partnership with the United States, should remain the cornerstone of German security policy and the guarantor of our freedom.

Only a strong and united Alliance can safeguard freedom. The Alliance has given us independence and liberty for over three decades. It serves the cause of peace in Europe and throughout the world and remains the basis and prerequisite of genuine détente.

The Alliance, but also an improved East-West relationship, are indispensable conditions for progress in arms control and disarmament. The primary aim of the Atlantic Alliance was and is to prevent war, and so to preserve peace and freedom for our peoples. The surest and hitherto sole guarantee against war is deterrence, including nuclear deterrence, for the Warsaw Pact possesses conventional superiority to this day.

In the seventies, while discussions here went on and on and the modernization of our armaments had practically been abandoned or had ground to a halt, the unilateral Soviet nuclear build-up forced the Western Alliance to take countermeasures. The Soviet Union has regrettably spurned the NATO offer of an agreement on intermediate-range nuclear disarmament which would have obviated Western INF modernization. They have blocked all the settlements we desire and which we have sought to negotiate - for none of us is a missile-maniac.

The Alliance - like the Federal Republic of Germany - withstood the internal and external pressures to which it was exposed during the modernization debate; it passed its acid test, one of great political and psychological importance. I believe that it has emerged strengthened from the INF debate.

We are prepared to return to the bargaining table at any time to continue discussions on nuclear arms control and disarmament.

The paramount objectives of my Government's security policy, like that of all previous Federal Governments, have been and will remain the prevention of a military confrontation in Europe, an end to the arms race on European soil and in the world and guaranteed security at a lower level of armaments.

In the Paris Agreements, the Federal Government under the Chancellorship of Konrad Adenauer renounced the right to manufacture weapons of mass destruction - atomic, chemical and biological weapons. Our position has not changed; we stand by this decision.

Wherever possible, the Federal Republic of Germany has supported arms control and disarmament efforts. Progress in arms control presupposes greater mutual trust and better prospects for dialogue between East and West. We shall do all we can towards this end.

German Ostpolitik had its roots in Adenauer's early efforts to forge a business-like and constructive relationship between the Federal Republic of Germany and the Soviet Union, our largest and most important neighbour whose control over 17 million of our fellow Germans can almost be used as a political pawn. The establishment of diplomatic relations between Bonn and Moscow in 1955, following Adenauer's visit to the Soviet Union, and the conclusion of the Treaty of Moscow 15 years later are milestones in the postwar development of German-Soviet relations.

My Government seeks constructive and stable relations with our neighbours in Central and Eastern Europe, particularly the Soviet Union. Everyone knows that the Soviet Union is a difficult partner; since the end of the Second World War, its imperialist policy, handed down from Czarist times, has repeatedly violated German and European interests. Nevertheless, ladies and gentlemen, any policy aimed at preserving and stabilizing peace in Europe requires that the door to dialogue with the Soviet Union be kept open in Europe, even in difficult times.

We naturally observe the agreements we have concluded; we act in accordance with the United Nations Charter and the Helsinki Final Act.

Aware of the rich common heritage of our continent and conscious of our European responsibility, we shall not relax our efforts to seek ways of preserving the advances made in relations with our neighbours in Eastern and South-eastern Europe and to go on developing them.

The Federal Government's pursuit of security and peace serves a vital political purpose, namely to overcome the division of Germany and Europe. Together with the free West and within the European framework we have the

duty and the will to shape our future and to settle our national question as an act of peace.

Ladies and gentlemen, we are aware of the European dimension of the German partition, which we shall be able to overcome only by peaceful means. The rejection of war and power as instruments of German policy has been reaffirmed time and again by all Federal Governments since 1949.

We need friends more than other countries do. All our neighbours must understand - all of them, I emphasize - that genuine and lasting peace in Europe will be achieved only when the German people are given the same opportunity as almost all the peoples of Asia, Africa, Latin America, the whole world, to determine the course of their own history. I know that this requires patience, and I am realistic. This item is not currently on the international political agenda. And you do not have to be clairvoyant to know that it will take a long time, possibly generations, before this matter is ripe for decision. I ask you only to understand that a German who faces up to his country's history and who stands by its people must call upon the endurance of his friends. ..

In recent months we have often seen television pictures of our Polish neighbours standing in the streets and squares of their cities, proclaiming in song that Poland is not yet lost; we know how many partitions Poland has survived, yet it remains Poland and has never given up its national identity. At the same time, we know there can be no returning to Otto von Bismarck's nation-state. Our passionate advocacy of European unification stems to a great extent from awareness that a peaceful settlement of the German question is only conceivable within a greater European framework.

We realize how great a responsibility devolves upon our country in particular as a stabilizing factor at the heart of Europe. The Germans have learned from their history; we shall never again neglect our European responsibility.

Our responsibility for Europe is also reflected in our relations with the German Democratic Republic, the other part of Germany. While we conduct

the talks necessary for reasons of everyday political realism, let the Chairman of the German CDU assure you that he never forgets that he is dealing with a Communist regime and its leaders; the regime which is depriving my compatriots in the other part of Germany of the most fundamental human rights. The leadership of the German Democratic Republic is now anxious to reinterpret German history and to assume the inheritance of this revised history. Behind the presentation of German history by the German Democratic Republic is the idea of a united Socialist-Communist Germany. The object is to create a sense of national communist identity as a substitute for the legitimization of a society whose philosophy and reality have never been sanctioned by the people of the German Democratic Republic in free elections nor ever would be.

The German people therefore expect every responsible German politician and every Government to work persistently for a state of peace in which they can determine their own unity. **B**ut those who support the unity of our nation must also accept the responsibility of approaching our compatriots in the German Democratic Republic at this critical period in our history. Unity can only mean that we remain united in our thinking, feeling and use of our common language. Unity is upheld when people establish contact, when families are reunited, when young people get to know each other again, when my sons in the south-west of Germany know what Weimar, Eisenach, the Wartburg and many other places which were in the news last year in connection with Luther's anniversary really look like.

The more successfully the hardships of German partition can be eased and overcome within a peaceful order in Europe, the more firmly will peace be consolidated in our continent.

A long road lies ahead of us before that can come about. But we have no reason to become discouraged. History - as you in Oxford all know well - never speaks a last word; it never creates an irreversible situation. International politics are in a constant state of flux.

The situation in divided Germany, too, can change. That has been proved in recent years. This change has also affected Berlin, our old capital. This city has a dual role to play in both Germany and in Europe: it symbolizes staunch defence of democracy and human rights by the free peoples of the West, and functions at the same time as a seismograph measuring the tremors in relations between East and West.

France, the United Kingdom and the United States are active in Berlin in their own right. Their presence is a living symbol of our partnership in the Atlantic community; the three powers are defending the "principles of democracy, individual liberty and the rule of law", as the preamble to the North Atlantic Treaty puts it.

We Germans owe a great debt of thanks to the United Kingdom, France and the United States of America, the three Allied powers in Berlin. We remember with gratitude the words you, Mrs Thatcher, spoke to the people of that city when we were there together in October 1982:

"Their (the British forces') presence demonstrates the continuing commitment of Britain, with our French and American Allies, to uphold the freedom of your city. They remain here because there is a vital task for them to do and because you want them to do it. ... We shall work to ensure that these cornerstones of Western freedom continue to guard our way of life."

That is not just a random quote; it is another clear affirmation of a basic political position which is of the greatest importance to all Germans in the German Democratic Republic as well as the Federal Republic of Germany.

Ladies and gentlemen, I have addressed some of the elements of German policy, the basic principles and aims of my Government. As a leading industrial nation, the Federal Republic of Germany has diverse worldwide interests. Our eyes are not solely trained on Europe, the United States and the Middle East. Our relations with Africa, Asia and Latin America, with the entire Third World, play a major part in our thinking and action in the field of foreign affairs. It is one of the happiest and most encouraging features of our age that in our country a generation has grown up for whom parochial

thinking has increasingly become a thing of the past. Their thinking and action out of a feeling of solidarity for their neighbours who include not only the person living next door or round the corner but also people in Latin America or Asia, an Indian in the Andes or a victim of hunger in the Sahel zone, proves that this generation has grown up with a much more universal outlook.

Co-operation with the Third World is an important part of our policy for worldwide peace; it is based on respect for the independence and self-determination of other countries.

We, as one of the large and comparatively wealthy industrial countries of the world - like you in the United Kingdom - must help the countries of Africa, Asia and Latin America to overcome poverty, hunger, despair and intolerable and highly volatile social divisions.

All States, whatever their social order, are subject to the same responsibility to provide assistance in a spirit of solidarity.

Since the Federal Republic of Germany was founded, we have tried to contribute our share on the basis of our historical experience and geographical position. The bulk of our political efforts are undoubtedly focused on Europe and the Atlantic area. The national question, German unity in freedom, European unification and the security of Europe will continue to receive the special attention of every future Federal Government.

The conviction of Konrad Adenauer, the first Chancellor of the Federal Republic of Germany, his legacy to us, that only in close concert with the democratic nations of the West could Germany hope to solve its national problems one day by peaceful means, has become the guiding principle of our policies and an element of the constitutional reality of the Federal Republic of Germany.

In this way we want to learn from history and work towards peace. I believe that it is a good thing to try to learn from history, and I hope that our

neighbours will grow used to the fact that the Germans, for all their past deeds of war, will now and in days to come inscribe their acts of peace upon the pages of history.

Prime Minister

Foreign and Commonwealth Office

Ominous. Very

London SW1A 2AH

A.S.C. $\frac{4}{6}$

4 June, 1984

Jean Tesse

ms

President of the European Commission

When Chancellor Kohl saw the Prime Minister at Chequers on 2 May, he said that Germany would present a first-class candidate for the Presidency of the Commission. He would not agree to Davignon.

Sir Michael Butler has reported that rumours are circulating in Brussels that Genscher has agreed that the Germans should nominate M. Cheysson to be the next President of the Commission. This would not be a desirable outcome from our point of view.

The Foreign Secretary recommends that, when she sees Chancellor Kohl during the Economic Summit, the Prime Minister should raise this subject with him. The Prime Minister might wish to say that when she last met Chancellor Kohl, he assured her that Germany would propose a candidate. As Chancellor Kohl knows, we would be well disposed to a well-qualified German candidate. What are his intentions?

If Chancellor Kohl suggests that there is no urgency, the Prime Minister might wish to say that we think that a candidate does need to be nominated at Fontainebleau. There are other candidates in the field already. There will need to be preparation for the formation of the new Commission.

If Chancellor Kohl gives an indication that he is in fact thinking of proposing M. Cheysson, the Prime Minister might wish to say that she will want to reflect very carefully on this.

We hope that Kohl will come forward with a strong German candidate. If not we should have to consider other candidates, including Davignon. But we must first seek to find out from Chancellor Kohl what his intentions are. The rumours about Cheysson may stem from Genscher rather than Kohl.

(R B Bone)
Private Secretary



10 DOWNING STREET

Prime Minister

This letter was delivered to
No 10 by Nigel Wicks - our
Executive Director at the
World Bank, who hopes you
will be able to endorse it.

Agree this be put on
agenda for bilateral with
Chancellor Kohl?

AT 1/6

Yes no

AJC

RESTRICTED



JK VC
AJC - G 200

10 DOWNING STREET

From the Private Secretary

1 June 1984

Supplementary Funding for I.D.A.

Nigel Wicks has delivered to No. 10 the attached letter from Mr. Tom Clausen, President of the World Bank. As you will see, it urges the Prime Minister to support the Supplemental Funding initiative, and, at their bilateral, to urge Chancellor Kohl to support it also. I will show the letter to the Prime Minister over the weekend. Meanwhile, I would be grateful if you could ensure that it is integrated into the briefing for the Summit and for the German bilateral. I would be grateful if, after the Summit, you could provide a draft reply for the Prime Minister to send to Mr. Clausen.

I am copying this letter and enclosure to David Peretz (HM Treasury) and Richard Hatfield (Cabinet Office).

(ANDREW TURNBULL)

Len Appleyard, Esq.,
Foreign and Commonwealth Office,

RESTRICTED

Prime Minister

THE WORLD BANK
Washington, D. C. 20433
U.S.A.

CEB

A. W. CLAUSEN
President

May 30, 1984

Dear Prime Minister:

It pleases me to report that last week the Board of Executive Directors finally approved a \$8.4 billion Selective Capital Increase for The World Bank and a \$9 billion replenishment for IDA.

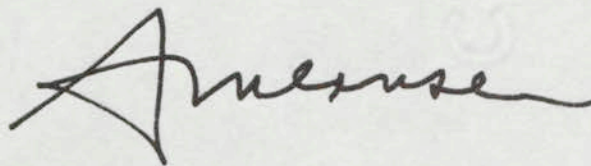
As you know, Board consideration of these matters had been delayed for several months but now these Board authorizations clear the path for further efforts to secure Supplemental Funding for the Association. Additional funding is critical if IDA is to continue to make a useful contribution to the development of India and countries in sub-Saharan Africa. Without additional resources, IDA will not be able to effectively address the problems of economic policy reform which these countries face. IDA has a proven record in helping its member recipient countries to put in place economic policies which will enhance development prospects including higher standards of living for their peoples.

The strong public support which your Government has given to the Supplemental Funding for IDA, both in European Councils and in international fora, has been widely noted and greatly appreciated. The Chancellor of the Exchequer, the Foreign Secretary and the Minister for Overseas Development have ably championed this initiative. Their efforts have succeeded in obtaining support for the Supplemental Funding by all EEC member states except Germany.

I am writing this letter to you, Prime Minister, to ask if, during the course of the forthcoming Summit Meetings, you would lend your personal support to the Supplemental Funding initiative and bring the urgency of the matter to the attention of Chancellor Kohl.

Please accept my best regards and consideration.

Sincerely,



The Right Honourable
Margaret Thatcher
Prime Minister
No. 10 Downing Street
London SW1, England.

CONFIDENTIAL

Ref.A084/1435

MR BUTLER

Handwritten: f.u.
Handwritten: M 5/5

The Foreign and Commonwealth Secretary sent me a copy of his minute of 11 May to the Prime Minister, suggesting that we should say that Frau Steeg would be acceptable to us as a consensus candidate for appointment as Executive Director of the International Energy Agency.

2. I agree with this recommendation.
3. I think that Frau Steeg would fill the post well; and we have no British candidate who would be credible as an alternative.

Handwritten: RIA

ROBERT ARMSTRONG

15 May 1984

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CCPC

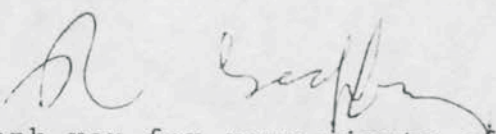
01-211-6402

The Rt Hon Sir Geoffrey Howe QC MP
 Secretary of State for Foreign
 and Commonwealth Affairs
 Downing Street
 LONDON
 SW1

N. B. P. A.

ALG/s
 h.a.

14 May 1984

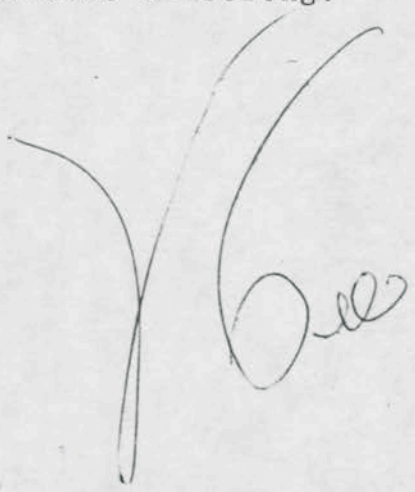


Thank you for your minute of 11 May about the appointment of the next IEA Executive Director.

It is important that this post be filled as soon as possible by a capable candidate. While Frau Steeg has not dealt with energy matters directly, she has wide relevant experience of multi-lateral trade negotiation and I judge her to be capable of doing the job. It will however be important that the IEA Deputy post is filled by someone with a thorough energy background.

Frau Steeg's name has now been in play for some time and I understand that the consensus behind her is fairly well complete. I agree that we can go along with it.

I am sending a copy of this letter to the Prime Minister, Nigel Lawson and to Sir Robert Armstrong.



PETER WALKER

Germany: Chancellor Kohl 1982

CPE

FCS/84/36

N. B. P. R.

AB 11.
5SECRETARY OF STATE FOR ENERGYIEA Executive Director

1. Our delegation to the OECD have reported that a meeting of the IEA Governing Board at Permanent Representative level is likely to be held on 15 May to consider the appointment of Frau Steeg as Executive Director of the IEA. It looks very much as though a consensus is developing around her. We need to send instructions by Monday 14 May.
2. For my part, I think Frau Steeg would be an acceptable choice. Officials here who know her well believe that despite her lack of direct experience in energy matters, she would fill the post well. As I said in my minute of 25 January, a European would seem best suited to the job. I see no reason why in this case a German should not be succeeded by a German.
3. I have considered carefully whether we should try to use UK support for Frau Steeg in order to win FRG support for our candidate for the post of OECD Secretary General, but see no advantage in doing so. Indeed, we ourselves have argued against such a link for the OECD post. The Germans have declared formally for Paye, and I doubt they can be shifted; and if, as now seems very likely, Frau Steeg is the only candidate for IEA job, we will have no leverage anyway. However, I would hope that if the Germans were for some reason to back off Paye, we could use our favourable attitude towards Frau Steeg in order to urge them to support our man for the OECD post.
4. I therefore suggest we decide quickly that Frau Steeg would be acceptable to us as a consensus candidate. I think we should however be prepared to make clear in a tactful way to all concerned that if a consensus in favour of Frau Steeg were not to materialise, and other candidates were to emerge, we might need to consider them too. We could let our position be known to the IEA Secretariat and others, and urge the need for a decision soon.

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5. I am copying this minute to the Prime Minister, to the Chancellor of the Exchequer and to Sir Robert Armstrong.

A handwritten signature in dark ink, appearing to be 'G. Howe', written in a cursive style.

GEOFFREY HOWE

Foreign and Commonwealth Office

11 May, 1984

CONFIDENTIAL

Private Secretary

~~John~~ - ~~ADG~~ 95 -

The Dept want to
send this v. general
guidance bel. books,
known less to me.

Any objections?

Dyer

OUT TELEGRAM

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9 AND TO INFO UKREP BRUSSELS, UKDEL NATO, UKDEL STOCKHOLM,
10 WASHINGTON, MOSCOW, AND OTHER COMMUNITY POSTS
11 ANGLO-GERMAN SUMMIT AT CHEQUERS ON 2 MAY
12 1. Chancellor Kohl accompanied by Genscher (Foreign Affairs),
13 Stoltenberg (Finance), Woerner (Defence) and ^{von}Wuerzen (Official
14 State Secretary representing Count Lambsdorff (economics),
15 visited Chequers for the 15th Anglo-German bilateral Summit on
16 2 May. Kohl subsequently delivered the Konrad Adenauer
17 Memorial Lecture at Oxford University. The Prime Minister was
18 accompanied by myself, the Chancellor of the Exchequer, the
19 Secretary of State for Defence and Mr Lamont, Minister of State
20 at the Department of Trade and Industry.
21 2. The Prime Minister and Kohl concentrated on the Community,
22 East/West and transatlantic relations, and the Middle East.
23 They also discussed the problem of terrorism. They formally
24 endorsed a statement on Anglo-German bilateral relations which
25 was issued at the joint press conference. As both leaders made

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Drafted by (Block capitals) C A MUNRO		
Telephone number 233 3648		
Authorised for despatch		
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OUT TELEGRAM (CONT)

	Classification and Caveats CONFIDENTIAL	Page 2
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1 ~~████████~~ <<<<<<

2 clear at the press conference tha atmosphere was excellent.

3 There are few, if any significant bilateral problems in our

4 relations.

5 3. EC ISSUES.

6 The two sides agreed that the budgetary problems of the

7 Community should be solved as quickly as possible to enable

8 Europe to play a more influential role in the world.

9 Community questions also featured in my discussions with

10 Genscher and in the talks between Mr Lawson and Stoltenberg

11 and between Mr Lamont and Von Wuerzen. Genscher argued that

12 we had missed our chance at the last European Council and that

13 Germany's position was unchanged since Brussels. It was

14 clear however that the Germans were waiting on the outcome of

15 the Prime Minister's discussions with Mitterrand on 4 May

16 before deciding how to play their hand.

17 4. Mr Lamont expressed concern at the implications for the

18 Community's internal market of the German plans to insist on

19 catalytic converters being fitted to cars in Germany after

20 1 January 1986 to control vehicle emissions. On other

21 Community topics however no major disagreements emerged.

22 Mr Lamont said excessive German steel exports to the US might

23 complicate EC/US relations. Von Wuerzen meanwhile expressed

24 concern about the implications for Community and German

25 policy of the UK scheme to improve productivity in the textile

26 industry.

27 5. EAST/WEST AND ARMS CONTROL

28 These featured prominently in the Prime Minister's talks with

29 Kohl and in mine with Genscher. I said that after the

30 Prime Minister's visit to Budapest the Warsaw Pact knew we were

31 serious about resumption of dialogue and progress on arms

32 control. On arms control Genscher was relatively robust. He

33 said it was important for the West not to pay a price for

34 a Soviet decision to return to the negotiating table in INF or

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Classification and Caveats

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1 ~~START~~ START. And he agreed that the Western position was strong in
2 MBFR, CDE and CW. Genscher showed some concern about the US
3 strategic defence initiative and anti-satellite programmes.

4 6. OTHER DEFENCE ISSUES

5 As Mr Heseltine and Woerner had met twice recently they
6 concentrated on harmonisation of weapon systems through the
7 Independent European Programme Group (IEPG). Woerner agreed
8 that the WEU should not take over the IEPG. Genscher and I
9 (and Mr Heseltine and Woerner) found that our approaches
10 to revitalising the WEU were similar. It would be important
11 to avoid anti-American overtones.

12 7. TERRORISM

13 Terrorism was discussed at some length. The Prime Minister
14 made it clear that we were reviewing the position urgently and
15 hoped to initiate some action at or before the London
16 Economic Summit. The Germans conceded the need to look at
17 aspects of the Vienna Convention (eg diplomatic bags). But
18 both Kohl and Genscher stressed the importance of maintaining
19 the status of diplomatic missions as ~~is~~ such, for the sake of
20 our own missions in Eastern Europe and other capitals where the
21 rule of law was not respected.

22 8. LONDON ECONOMIC SUMMIT

23 There was agreement that the Summit should concentrate on how
24 to sustain and spread the recovery without rekindling inflation.
25 On trade and protectionism it was agreed to look again at what
26 might be said in the communique after the OECD Ministerial
27 meeting (on 17-18 May).

28 9. OTHER ISSUES

29 On the UN Law of the Sea Convention, Genscher admitted that he
30 was in a minority in favouring signature. Kohl assured the
31 Prime Minister that there was no prospect of a change in the
32 German position.

33 10. Discussion of international trouble spots (Southern Africa,
34 The Gulf, Cyprus and Argentina) revealed no significant

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differences

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Classification and Caveats
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1 <<<<
 2 differences of approach. Genscher described his visit to
 3 Argentina in some detail. The Alfonsin Government was still
 4 strong and Argentina was in a better position than any other
 5 South American country to solve its problems, grave though
 6 these were. The Argentinians had spoken in moderate terms
 7 about the Falklands. The Prime Minister explained our
 8 position on sovereignty.
 9 11. Kohl's final contribution at the Plenary concerned
 10 environmental damage, a political issue throughout Central
 11 Europe. In some areas 80% of forests were being destroyed and
 12 the way of life of whole communities was being effected. Kohl
 13 agreed with the Prime Minister that it would help if scientists
 14 could get nearer to an explanation of the damage caused by
 15 acid rain. But he had little doubt that the lead content of
 16 motor vehicle emissions was a major cause.
 17 12. The foregoing is mainly for your own information but you
 18 may draw upon it if asked, using suitable discretion.

20 HOWE
 21 NNNN

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CABINET OFFICE

70 Whitehall, London SW1A 2AS Telephone 01-233 - 7460

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X 02389

M Llewellyn-Smith Esq
WED
FCO
Downing Street West
LONDON
SW1

4 May 1984

A.S.C. 4/5
f-a.

Dear Michael,

BRIEFING FOR BILATERAL SUMMITS

1. We are most grateful to you for all your efforts to make a success of the new style of briefing for the Anglo-German Summit. I have spoken to No 10, and they tell me that they think that both the new slim-line briefing (11 briefs instead of 44 for the last Anglo-German Summit) and the check-list were a success, and a great improvement on previous arrangements. I have also heard praise elsewhere for the check-list, which seems to have been a most useful document. If therefore you and others agree, I suggest that we follow the new pattern for all future major bilateral Summits.
2. While this exercise is still fresh in our minds, it would be useful if recipients of this letter could let us have any comments which they may have either on the new style main brief or on the check-list, so that we can get them even better next time. For instance, would other Departments find it useful if the check-list (copy enclosed for ease of reference - it was circulated to all participants in the Prime Minister's briefing meeting) also included a list of the topics for separate discussion by the other Ministers participating in the Summit - ie in the case of the Chancellor of the Exchequer, the Secretary of State for Defence, the Minister of Agriculture and the Minister of State for Industry?
3. For my part I have only two minor comments. First, as so often in these Summits, there was on this occasion a last minute note to the Prime Minister - from Mr Tebbit on Tornado for Turkey - asking her to raise a particular subject with Chancellor Kohl. It would have been tidier and simpler for No 10 if this subject had been covered in the main briefing. It may be on this occasion that DTI decided only at the last moment that it would be a good idea to raise Tornado. But generally I hope Departments will try to make sure that all subjects they want raised by the Prime

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Minister are notified in time for them to be covered in the main briefing series. Perhaps next time Sir A Acland's "scene-setting" letter enclosing the proposed list of briefs could specifically ask Departments to say if there are any subjects not on the list which they would like the Prime Minister to be briefed on.

4. Secondly, on a very minor point, since we no longer have a summary of briefs it would have been helpful if the general brief had in its text referred by number to all briefs - ie paragraph 3 on internal affairs should have referred to Brief No 11 on the German internal scene, and paragraph 5 to Brief No 3 on the Community. A few more sub-headings in the general brief might also have been useful - eg separate sub-headings for Law of the Sea and Argentina as they had separate briefs.

5. I am copying this letter to those who received my letter of 29 March setting out the new system, and also to the Private Secretaries of the Ministers attending the Summit in case there was any feed-back from their Ministers on the briefing which we should take into account.

Yours ever,

Sophia

SOPHIA LAMBERT

A Bottrill, Treasury
J Ingram, DTI
B Hawtin, DS 12, MOD
R Melville, MAFF
P Fairweather, ECD(I), FCO
R Bone, APS/Foreign and Commonwealth Secretary
D Peretz, PS/Chancellor of the Exchequer
R Mottram, PS/Secretary of State for Defence
C Llewellyn, PS/Minister of Agriculture, Fisheries and Food
Miss L Rhind, PS/Mr Lamont
D Williamson, Cabinet Office
D Goodall, Cabinet Office
D Colvin, Cabinet Office
A Coles, No 10

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SUBJECT



10 DOWNING STREET

From the Private Secretary

3 May 1984

Anglo/German Summit

I enclose a note of the discussion which took place over lunch at Chequers on 2 May.

I am copying this letter and enclosure to David Peretz (HM Treasury), Richard Mottram (Ministry of Defence) and Richard Hatfield (Cabinet Office).

A. J. COLES

Roger Bone, Esq.,
Foreign and Commonwealth Office

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Note of a discussion over lunch at the Anglo/German Summit at
Chequers on 2 May 1984

The following were the main points made at a discussion over lunch which was attended by all Ministerial participants in the Summit and some senior officials.

The Prime Minister said that she would welcome German views on the handling of the London Economic Summit remembering that it would take place in the middle of the United States election year. She believed that the Williamsburg Economic Summit in 1983 had been well handled. On that occasion it had been necessary to have a statement on international political questions, in addition to the usual economic statement, because of the imminence of INF deployment. She inclined to the view that it would not be possible for Heads of State and Government to meet at the Economic Summit without issuing a political statement. She thought that the only difficulty in this regard might come from the President of France.

Chancellor Kohl said that public expectations about the Summit were so high that they could not be met. But we must do our best. The Williamsburg conclusions had contained a good deal about combatting protectionism. But no sooner had participants returned home than the United States had adopted a number of protectionist measures. This was unfortunate. He favoured everyone making a contribution to reducing the dangers of protectionism. The more equipped individual countries were for free competition, the stronger economic revival would be.

It was essential to discuss political questions at the Summit. By June INF deployment would have taken place in Germany and the United Kingdom but not in the Netherlands. Indeed, it was uncertain what would happen about deployment

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there. The Summit should try to help the present Netherlands Prime Minister.

On another point, he could well understand that the Normandy landings had to be commemorated. But it should be borne in mind that many people in Japan and Germany would watch the celebrations. He therefore advised that the Summit, which would follow shortly on these celebrations, should make a joint declaration about the future. It was not adequate to draw attention merely to historical events. The participants must make clear that they were now associated in an community of values and that Germany was part of it. This was the perspective for the future. He was ready to talk to President Mitterrand about the desirability of a statement on political questions. F

The Prime Minister said that it was possible that three statements would be necessary, for she wished to see one on international terrorism.

Regarding Chancellor Kohl's remarks about protectionism, it was worth recalling that the Community, despite the stand it had taken, was negotiating to restrict imports of corn gluten and that, but for Germany and Britain, it would have imposed an oil and fats tax.

The Summit should discuss the opening of capital markets, including the Japanese market, though the experience of past Summits in dealing with Japan had not been encouraging.

The Summit should also tackle the question of international subsidies which were now running at a high level.

A statement on security would be useful. There was a constant need to emphasise the unity of the United States and Europe.

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On international terrorism, both the United Kingdom and the United States wanted a declaration.

With regard to a declaration on the values which bound the participants together, careful drafting would be necessary. But the task was worth undertaking, particularly as a means of combatting Communist propaganda.

The Foreign and Commonwealth Secretary said that political directors would identify the main topics for discussion by Foreign Ministers. Clearly, the question of terrorism would have to be addressed. He was reluctant to accept that every Economic Summit must issue a political statement but he recognised the need for one on this occasion, particularly following the commemoration of the Normandy landings. However, we were anxious about the French attitude.

Chancellor Kohl said that he had had to talk to President Mitterrand twice at Williamsburg to persuade him to accept a political statement. But the Americans had not handled him very tactfully. It was desirable that when our ideas were clearer the Prime Minister should raise the matter herself with President Mitterrand. The Prime Minister said that she would mention the question when she saw President Mitterrand on 4 May.

Taking up the earlier reference to INF deployment, the Defence Secretary pointed out that if the Netherlands did not proceed with deployment this could weaken the present resolution shown by Belgium.

On East/West relations, Chancellor Kohl said that he saw no new elements in Soviet foreign policy. The Prime Minister asked why East Germany was allowing so many people to leave permanently for the Federal Republic. Chancellor Kohl

replied

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replied that there were probably several reasons rather than a single one for this. The structure of power was not monolithic in East Germany any more than it was in the Soviet Union. The GDR leadership was probably using the opportunity to get rid of a number of people whom it saw as troublesome. It had evidently agreed with the Soviet Union that the latter would in turn move Germans into East Germany. Another factor was that the economic situation in the GDR was not favourable. Moreover, the psychological pressure on the regime was such that it had to allow things to happen which would have been unthinkable a few years ago.

Herr Stoltenberg said that he considered that the Economic Summit's discussion of trade policy and protectionism should be balanced by a discussion of developing countries and the problem of indebtedness. If world trade did not revive, debtor countries had no chance of solving their problems. He had discussed this matter earlier with the Federal Chancellor who had agreed that it should be emphasised at the Summit. Herr Genscher pointed out that a 1 per cent reduction in interest rates would do far more to help debtor countries than any aid programme.

A. J. C.

2 May 1984



Lee PC
A.S.C. 4/5
h.a.

RECORD OF A DISCUSSION BETWEEN THE CHANCELLOR AND THE
FEDERAL GERMAN FINANCE MINISTER AT CHEQUERS
AT 10.30 A.M. ON 2nd MAY 1984

Present	Chancellor of the Exchequer	Dr Stoltenberg
	Mr Unwin	Dr Heck
	Mr Peretz	

Economic Developments

Dr Stoltenberg said that in both Germany and the UK the recovery was now well under way: both economies were doing better than elsewhere in Western Europe. The latest independent forecasts for Germany were for a growth rate of 3-3½ per cent. The prospects, however, depended also on whether other European countries could now achieve higher growth; on the continuing debt problems of some developing countries; and on a satisfactory resolution of the expected clash with the unions over their demand for a 35 hour week. Dr Stoltenberg was confident that the German employers would stand firm. According to opinion polls the demand for a 35 hour week was not popular. But there could be a nation wide strike sometime during the next 2 months.

2. Inflation in the Federal Republic was well under control, and should fall to below 3 per cent soon. Profits were rising, as were private investment and exports. Dr Stoltenberg thought that a satisfactory resolution of the current problems in the Community could also have a helpful impact on confidence in the medium term. Unemployment was showing the first signs of a modest fall. There was of course the risk of a rise in interest rates. Although the strike threat had weakened the Deutschemark it had not so far affected domestic German interest rates. But were US rates to rise further then Dr Stoltenberg would expect a modest rise in German rates.

3. The Chancellor said that the picture in the UK was in many ways similar. Inflation was of course a little higher than in Germany, but expected to edge down later in the year. Growth was around 3 per cent. The UK, too, had labour problems (the coal strike). The



main worries for the future were of a rise in interest rates, caused by a rise in US rates. Such a rise would of course cause problems for debtor countries as well as the developed countries.

4. Dr Stoltenberg expressed a particular concern over the steel industry. He thought there was a risk of pressure from other EC countries - particularly the French - for a renewal of steel subsidies after they had been phased out (as agreed) next year. We should stick to the agreement that had been made to terminate subsidies, which were, he was advised, in any case illegal under the European treaties. The Chancellor agreed. Although this was a matter primarily for Industry Ministers, Finance Ministers had a legitimate and common interest, and he was very happy for the matters to be raised, as Dr Stoltenberg suggested, at the informal ECOFIN on 12 and 13 May.

London Economic Summit

5. The Chancellor suggested a number of areas where it might be possible to make some modest progress at the London Summit:-

(a) On the international debt situation, he suggested it would be worth examining some of the ways that problems might be solved in the longer term, and in particular the greater role that direct private investment could and should take in developing countries financing. It would be wrong for Governments to become involved, but the World Bank might be able to play a larger role (in cooperation with the IMF). Banks would also have to accept the inevitability of stretching out repayment schedules. Dr Stoltenberg agreed, and hoped (and the Chancellor agreed) that no one at the Summit would produce any new ideas for global schemes of general debt relief.

(b) It would be useful to apply further pressure - following the US/Japanese bilateral discussions - on the Japanese to open up their capital markets, as one way to help deal with the problem of the under-valued yen.

(c) On the US deficit the Chancellor thought the Americans might now be politically prepared to see something helpful said at the Summit, and Dr Stoltenberg agreed.



(d) On trade and protectionism, the Chancellor asked Dr Stoltenberg for his views, in particular, on how the question of mixed credits might best be tackled. It was agreed that this was a subject for discussion at the forthcoming OECD Ministerial meeting first; but that, depending how that discussion went, it would be helpful to have something in the Summit communique covering both protectionism and mixed credits.

6. In further discussion about US prospects, Dr Stoltenberg contrasted the very impressive growth so far in the US economy - the result of a flexible and dynamic private sector - with the problems that seemed to be mounting up for the future on the fiscal deficit, the trade balance and balance of payments. He was not convinced that the US would be able to sustain economic growth, and saw a real danger of disruption sometime in 1985 or 1986. While it was right for European leaders to express concern about this, careful wording was needed. It was important to avoid giving a "protest" image that could reinforce market and public perceptions of a Europe that was in decline. The Chancellor agreed.

7. On Argentina, Dr Stoltenberg shared the Chancellor's concern about the end-March US operation. He could only interpret the US move as intended to buy time to convince the Argentine Government of the need to agree a satisfactory adjustment programme with the IMF. This meant, however, that it was important that the next ~~dead~~^{was} line should not be allowed to pass in the same way. He agreed with the Chancellor on the importance of ensuring that any country that did default ~~£~~ not seen to benefit as a result.

Distribution

PS/Chief Secretary
 PS/Economic Secretary
 Sir P Middleton
 Sir T Burns
 Mr Littler
 Mr Unwin
 Mr Lavelle
 Mr Mountfield
 Mr Bottrill
 Mrs Case
 Mr Kelley
 Mr Ridley

DLCP

D L C PERETZ

3 May 1984

Mr Coles - No.10
 Mr Appleyard - FCO
 Mr McCarthy - DTI
 PS/Governor - Bank of England
 Sir J Taylor - Bonn
 Mr Wicks - Washington



MO 14/3

A.S.C. 4/5

h.a.

NOTE FOR THE RECORD

RECORD OF A MEETING WITH DR MANFRED WOERNER AT THE
ANGLO-GERMAN SUMMIT AT CHEQUERS AT
1040 AM ON WEDNESDAY 2ND MAY 1984

Present:

The Rt Hon Michael Heseltine MP
 Secretary of State for Defence

Dr Manfred Woerner
 German Minister for Defence

Mr J H Blelloch
 DUS(P)

General Roland Oppermann
 Assistant Chief of Defence Staff,
 Political-Military Affairs

Mr R C Mottram
 Private Secretary to Secretary
 of State for Defence

Colonel Klaus Reinhardt
 Aide-de-Camp

Admiral Fischer
 German Embassy, London

EUROPEAN DEFENCE CO-OPERATION

The Secretary of State said that he was keen to foster a closer European defence identity provided that this did not drive a wedge between Europe and the United States. He saw both operational and economic benefits from increased arms co-operation where the aim should be to establish a transatlantic partnership drawing the high technology industries of Europe and America closer together. As to the mechanism, the IEPG had the crucial element of French participation and offered established machinery; it had conducted business at a fairly low level but this was changing. The WEU offered high level participation and political clout but was more restricted in membership and had no established machinery. He was happy to pursue both routes, on a complementary basis, provided they did not cut across the Atlantic dimension. In his capacity as Eurogroup Chairman, he intended to put some ideas to his colleagues before the next meeting about strengthening arms co-operation. The essential elements seemed to him to be: a mechanism for reconciling military requirements at a very early stage before detailed operational requirements were established; a clearing house to ensure that all co-operative options were explored before a national route was gone down to meet a requirement; a look at the scope for more specialisation in Government funded research and development; and consideration of the case for creating European-wide defence companies. Given the role of governments in defence procurement, any industrial restructuring would probably require



Government action. Once the European position was established, he believed that they should go to Mr Weinberger to explore the scope for transatlantic co-operation. Mr Weinberger's intervention in the NATO frigate saga showed his own commitment. He recognised the difficulty in turning these general principles into practice. In particular the reconciliation of military requirements would be difficult unless one country was designated as the leader in a particular area with the responsibility to drive matters on to a conclusion. More generally the machine needed to work to timetables laid down by Ministers if there were to be results.

2. Dr Woerner said that he had a good deal of sympathy for these ideas. He wanted to strengthen the European pillar within the framework of the Atlantic Alliance. He believed that the Americans would listen to a more coherent European voice. In seeking to bring this about, rhetoric was not enough. We had to look at specific objectives and options for projects and to choose the organisation to be used in relation to the aim. His own preference would have been to make use solely of existing organisations like Eurogroup and the IEPG, but France and Italy had both concluded that they wished to strengthen the role of the WEU and we had to take account of this. If we looked at the organisations in relation to the subject matter, he believed that the IEPG was the right mechanism to address armaments co-operation matters. We could certainly look at raising the level of the participants if this would help to give additional impetus. There were, however, wider questions relating to military strategy, the European attitude to the strategic defence initiative, and nuclear policy matters which were worth discussing in a European forum. The Eurogroup was not suitable for this if France remained outside it. He intended to press M. Hernu at their next meeting about whether France might join the Eurogroup but he expected the answer would be negative. We had seen the difficulty of using a tri-lateral forum. The WEU might be a useful organisation to address these questions. We should try it out and see the results. M. Hernu had made it clear to him at their last meeting, in front of the press, that France was anxious to strengthen co-operation within the framework of the Alliance. It remained to be seen what would come of the WEU initiative; the French enjoyed tossing a pebble into the pool to see the ripples but they might not have more concrete aims for the revitalisation. He recognised that there might be complaints from some of those excluded from the WEU but, in the light of recent experience, the absence of countries like Denmark and Greece might not be a handicap. Mr Bletloch drew attention to the argument that was being deployed that the revitalisation of the WEU Assembly would help in the articulation of a positive European attitude towards defence. Dr Woerner commented that he saw no merit in the WEU Assembly for this purpose. The European Parliament was the right place to articulate European opinion.

3. Dr Woerner said that he saw difficulties in bringing about a restructuring of European defence industries. There was certainly



a movement for increased co-operation as for example between Kraus Maffei and Vickers but this fell short of bringing about a fusion. He was concerned already about the impact of inadequate competition on the price of defence equipment: for example, a consortium building the new anti-tank helicopter had proposed large cost increases which had only been reduced by the threat of involving other European firms or the Americans. Perhaps they should discuss the options with the major concerns involved to see if there was any way forward. The Secretary of State said that he agreed absolutely about the importance of retaining competition. We should not go to a single European firm in a sector but, equally, there might be scope for reducing numbers below those at present. Any contacts with companies would need most careful handling since there would be inevitably a tremendous flurry of concern about the implications for individual national industries. At this stage they should perhaps talk at the political level in fairly general terms: he had yet to formulate any clear ideas himself.

4. Dr Woerner said that they should take account of the real progress that had been made recently. The IEPG response to the Americans on emerging technology was a major step forward as was the approach to the Fighter 90 project. On emerging technology, he attached considerable importance to addressing equipment proposals in a proper conceptual framework with clearly identified priorities. He recognised that these might not be the same for different countries. For the Germans, the priorities were firstly fighting the first echelon, secondly offensive counter-air, and thirdly attacks on the second echelon at specific choke points. The Americans, on the other hand, had a philosophy of attacking the second echelon on a very broad basis including moving targets which required an immense investment in reconnaissance and real time communications. Once we had agreed on priorities, which was a crucial question for the next DPC meeting, then we could look at a balance between America and Europe in the development and production of the necessary equipments.

5. The Fighter 90 project showed the way forward in terms of a logical progression of steps towards a co-operative solution. Before the German Government could reach a definite position on the project, they had first to address their requirements over the next 12 years which would be completed by mid-June and he would then need to clear his lines with his Ministerial colleagues. This was why he had asked for the next ministerial meeting not to take place before July. The Secretary of State said that he understood the German difficulty and was quite content with the new date. He would, however, be very disappointed if there was a slippage into the Autumn. Dr Woerner agreed.

STRATEGIC DEFENCE INITIATIVE

6. There was then a discussion of the SDI and related matters recorded separately.

SALE OF TORNADO TO TURKEY

7. The Secretary of State recalled his earlier conversation with Dr Woerner in Turkey about the sale of Tornado; he wondered where matters now stood. Dr Woerner said that he had asked the Turkish Government to write him a letter setting out clearly their priorities for the use of available military aid. He had now received such a list which included Tornado at the end. He could ask the Turkish Government which items they would wish to give up in order to make room for Tornado but even on this basis there would be no means of funding a sale of 40 aircraft. He was as interested in selling Tornado to the Turks as the British Government. His Government could offer normal credit financing. The possibility of offering special credit terms was minimal given the level of existing commitments to Turkey. The Secretary of State said that it would be preferable if the sale could be pursued as a joint venture with which Germany industry and the German Government would be closely associated, rather than solely on the initiative of British Aerospace. He was anxious to avoid any impression that a British company was negotiating on the basis of spending German money. Dr Woerner commented that his initial reaction to the proposition put to him in Turkey had been one of astonishment that it should have been pursued in this way.

8. The Secretary of State asked about the possibility of some contribution from the German military aid programme. Dr Woerner said that the sums involved were very large in relation to available aid, the next tranche of which would be 130M deutchmarks over a period of 18 months. There were discussions underway about a special programme of additional aid but these still had a long way to go. He thought that realistically the outside limit of new provision would not be more than 200M deutchmarks and the Finance Ministry would probably argue for a figure of 20M! These were not in any case matters within his control since the German Foreign Minister was responsible for the military aid budget. The Secretary of State commented that one difficulty was that British Aerospace were aware of the possibility of this additional provision but had no means of getting a feel for what it might amount to. Mr Blelloch added that there was concern within British Aerospace about their exposed position, not having a clear understanding of German intentions. The Secretary of State asked whether it would be possible to establish more clearly the prospects for additional military aid. Dr Woerner said that he would be happy to discuss further with Herr Genscher this aspect of the problem. He commented that the Turkish interest in Tornado had to be seen in perspective. Their military needs were huge and they had no money. There were other high priorities for them such as armour, tanks, air defence and the provision of NBC equipment.

ASRAAM

9. The Secretary of State referred to the earlier exchange in Turkey about ASRAAM. Dr Woerner said that he had checked the position on his



return. He could confirm that it was high on his priority list because of its importance for transatlantic equipment co-operation; there was so far as he knew no problem over the project. Was this also our understanding? The Secretary of State said that he was advised that there were still funding problems and difficulties over VAT which had led to proposed contractual and management arrangements which we were not sure were sensible. Dr Woerner said he would look again at where matters stood, and the Secretary of State added that he would check our understanding of the position.

SELF PROPELLED HOWITZER

10. Dr Woerner said that the programme for the 155 mm self-propelled howitzer had been established on the basis that each participating country would be invited to tender for all assemblies. The British side were now taking the line that those elements of the project developed in Britain must also be manufactured here. The Secretary of State said he would look into the British position.

FUTURE BASIC TRAINER FOR THE RAF

11. Dr Woerner said that the Germans had been disappointed that their Fan Trainer had not been shortlisted for the RAF requirement. He thought it was very competitive and wondered if the decision had been influenced by offset considerations. They felt they could make attractive proposals for offsetting orders in Britain which he could put in writing. The Secretary of State said that he would look into the basis on which the competition had been conducted and the reasons for the exclusion of the German candidate and let Dr Woerner know.

12. The meeting ended at 1245.

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Ministry of Defence

3rd May 1984

Distribution:

PS/Prime Minister
 PS/Foreign and Commonwealth Secretary
 PS/Chancellor of the Exchequer
 PS/Secretary of State for Trade and Industry
 PS/Secretary of the Cabinet
 Sir J Taylor, Bonn
 Sir J Graham, UKDEL NATO

Internal:

as minute of 3rd May 1984

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ANNEX TO THE RECORD OF THE BILATERAL MEETING BETWEEN THE DEFENCE
SECRETARY AND DR WOERNER ON 2ND MAY 1984

Strategic Defence Initiative

1. Dr Woerner asked whether the British Government had taken further its attitude to the US SDI since their last talk. The Secretary of State said that he and the Foreign and Commonwealth Secretary were looking together at aspects of the SDI and their relationship to the ASAT problem. Dr Woerner said that he and Herr Genscher were both sceptical about the SDI. They did not oppose the Americans catching up in low level ASAT capability and in R&D on anti-ballistic missile systems but their concern was that once they went down this road, it was difficult to know where it would end. Following his comments in Turkey, Dr Ikle had been sent to Bonn to explain the American position. It had become clear that there was political concern in the US administration that European objections might be used by Mr Mondale and Mr Hart as ammunition in the Presidential election campaign. The German Government, in the light of this concern, would be adopting a low profile in public but they nevertheless remained sceptical and believed there was a need for close and regular consultation in this area.
2. The Secretary of State said that the British position was similar. We accepted the argument for the Americans catching up. The difficulty was that catching up was not actually the way that the Americans approached things and they would inevitably want to press on ahead. The outcome was likely to be a quantum leap in the arms race. It was not conceivable that the Soviet Union would allow the Americans to develop a system of the kind envisaged without themselves either developing something similar or a counter to it. Dr Woerner agreed. He said the Soviet Union must be very concerned about the economic implications of such an arms race and it was possible that they would see a point when it would be advantageous to strike some sort of agreement or at least that there should be some channelisation of the process. The Secretary of State said that he did not get the impression of any real dialogue on these matters between the Americans and the Russians. Past experience was not encouraging. There had never been any arms reductions. All that agreements produced were ceilings coupled with options for both sides to develop in further new directions. Dr Woerner commented that this outcome was not determined by technical factors. Rather it reflected a lack of political will, at least on the Soviet side. The problem was that they attached such priority to military power. The Secretary of State commented that he would be making a speech at the IISS shortly about Russian attitudes: their expansionism, their dependence upon military power to secure status, and their feeling of being beleaguered, for which there was a good deal of justification in terms of past history. We must not be deluded into thinking that their aims were benevolent but equally he was concerned about the absence of a proper dialogue with them.



3. In further discussion, Dr Woerner explained that there were contacts between his Ministry and the Russians at a military level and he had himself held a number of conversations with the Soviet Ambassador in Bonn. Obviously in taking the dialogue further at Ministerial level, Defence Ministers were likely to be the last people to be involved. The Secretary of State agreed. His concern was that we should establish a dialogue with the new generation of the Soviet leadership before they came to power. Their outlook might be less dominated by events before and during the Second World War, and there might be scope for building a better understanding. Dr Woerner commented that this process, while welcome in itself, could not replace the importance of a US/Soviet dialogue. He found it very difficult to talk to the Americans about this because they tended to regard as an appeaser anyone who argued for a better dialogue. President Reagan had done very well in recreating a sense of US power but his rhetoric was not helpful. The right approach was to carry a big stick and to talk softly. The Americans did not seem to appreciate that for the Russians equality of status as a superpower was an overriding goal and they would do anything to keep it. The Americans should never imply that they wished to seek superiority again. If they addressed the Soviet Union as an equal, there was a possibility of a more constructive relationship.

Out of Area Activity

4. The Secretary of State asked Dr Woerner about the German position on out of area activity. Dr Woerner said that the German Government recognised the contribution which the other major NATO countries could make individually in particular areas and they were willing to play a role in compensating for the possible diversion of US troops from Europe. They believed, however, that the priority in terms of the threat remained in Central Europe. There were both constitutional and political difficulties in any German participation in out of area operations. In a brief discussion the Secretary of State said that he found very difficult the whole idea of operations on land in the Gulf Area by the Western powers. He also commented that we should not be so helpful to the Americans in covering for them in Central Europe that they came to suspect that they could safely withdraw.

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Ministry of Defence

3rd May 1984

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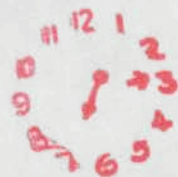
PS/Minister (AF)	MA/DCDS	PS/Prime Minister
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3 - MAY 1984



APPOINTMENTS IN CONFIDENCE

OECD SECRETARY-GENERAL

Declared candidates are Marc Lalonde (Canadian Finance Minister), Jean-Claude Paye (French Diplomat) and Sir Kenneth Couzens. (59)

Points to be made to Chancellor Kohl in favour of our candidate are:

- The Prime Minister's personal support for our candidate.
- His career-long experience in financial and economic work.
- Particular value of over 5 years (1977 - 1982) work in international financial affairs; membership of G.5, G.10, Member and briefly Chairman of EC Monetary Committee.
- Main elements of the OECD job are international finance and economics and the management of economists: for both, Couzens has more direct experience than his rivals.

(55)

- Mid 50's
- On Lalonde: ^ respect him, but do not regard experience as Minister as an essential qualification - e.g. Van Lennep did not have it.

(50)

- Young
- On Paye: ^ some concern about possibility of too much French Government influence on a Frenchman at the Head of the Organisation in Paris; and question whether the undoubted diplomatic skills he has are what we really want.
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10 DOWNING STREET

From the Private Secretary

3 May 1984

Anglo/German Summit

I enclose a record of the Plenary Session which was held at Chequers on 2 May.

I am copying this letter and enclosure to David Peretz (HM Treasury), Richard Mottram (Ministry of Defence), Callum McCarthy (Department of Trade and Industry) and Richard Hatfield (Cabinet Office).

F. E. R. BUTLER

Roger Bone, Esq.,
Foreign and Commonwealth Office

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RECORD OF PLENARY SESSION OF SUMMIT TALKS BETWEEN HMG AND THE
GOVERNMENT OF THE FEDERAL REPUBLIC OF GERMANY AT CHEQUERS ON
WEDNESDAY, 2 MAY, 1984, AT 1430 HOURS

Present:

The Prime Minister

The Foreign and Commonwealth
Secretary

The Chancellor of the
Exchequer

The Secretary of State for
Defence

Sir Robert Armstrong

Sir Anthony Rawlinson

Sir Jock Taylor

Sir Julian Bullard

Plus officials

The Federal Chancellor

Herr Genscher

Dr. Stoltenberg

Dr. "Wörner

Dr. von "Wuerzen

Baron von Wechmar

Plus officials

/ The Prime Minister

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The Prime Minister reported on her discussions with Chancellor Kohl. She said that there had been thorough discussions on Community issues, and both sides wished to resolve outstanding problems on the Community Budget as soon as possible. There had also been a discussion on East/West relations, which were particularly important in the year of the US Presidential Election, and on the Iran/Iraq War. The atmosphere of their talks had been extremely friendly, and there were few if any bilateral problems between the Federal Republic and the United Kingdom. Both sides shared a joint will to solve the problems of the Community and enable Europe to play a more influential part in the world. Both sides also agreed on the need to incorporate strict financial guidelines into the Community's budgetary process. Otherwise, the progress made on agricultural and financial disciplines would be wasted. This could be seen as translating the Stuttgart Agreement into a practical form.

Chancellor Kohl thanked the Prime Minister for her welcome and hospitality. He suggested that at the Press Conference attention should be drawn to the friendly and cordial tone of the talks which reflected the normality of relations between the two countries. Mention should also be made of the forthcoming Economic Summit, and the need for a thorough tour d'horizon of world affairs, particularly East/West relations. He endorsed the Prime Minister's remarks about the desire of both sides to make progress at the earliest possible moment on the problems of the European Community.

In reply to a question from the Prime Minister about his recent visit to the United States, Chancellor Kohl said that he did not expect any major change on budgetary policy before the Presidential Election. But the US Government were realising that a continuation of their policy would support and foment feelings of anti-Americanism in Europe. He had told the President that it would be more potent than 100 demonstrations.

/ Following

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Following the demonstrations in the autumn in advance of deployment, which had been professionally stimulated, anti-American feeling had declined in Germany, and there was no sign of a resumption without some occasion for it. If the United States continued with their budgetary policy, there would both be a psychological and actual adverse effect on Europe. In Germany itself, official forecasts of growth in the current year were put at 2½%, and most commentators regarded this as cautious. Unemployment was beginning to decline, and there was a prospect of its falling below 2 million in figures published on 4 June. Even so, people had been living beyond their means for far too long, and the corner had not been turned yet, as was evident from the current dispute about the 35 hour week for unchanged wages. He was confident that the German Government would win that dispute, and there would be signs of this within the next fortnight. 1985 was also likely to be a good year, but there was a questionmark over 1986, and uncertainties over US policy were relevant to this. The German Government had lots of other problems, particularly demographic problems affecting the number of men in the armed services, which threatened to decline from 495,000 at present to 261,000 by the end of the decade. The German Government might have to consider extending military service, which would be a most controversial issue. In response to a jocular remark from the Prime Minister that a professional army avoided difficulties of this sort, Chancellor Kohl responded that he had no doubt that a conscript army was right for a divided country.

Sir Geoffrey Howe gave a summary report of his talks with Herr Genscher (separately recorded). In discussion of the attitude of the German Government towards problems of international terrorism, Herr Genscher said that it would be important not to give the impression that the West would like to weaken the protection given to Diplomatic Missions by the Vienna Convention.

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The approach should be to interpret the rights and privileges of that Convention more restrictively. He had been asked, on a visit to Senegal, why the major European countries had tolerated the Libyan Peoples' Bureaux in their countries for so long. The Foreign Secretary commented that the decision to accept the Peoples' Bureaux had been taken after extensive discussions between Germany, France, Italy and the United Kingdom. If a decision to act more restrictively were to be more effective, it should similarly be taken collectively. The Prime Minister drew attention to the problems of enforcing the Vienna Convention as regards the content of Diplomatic bags. Herr Genscher commented that this aspect of the Vienna Convention was worth looking at, but he repeated that the German Government would wish the protection provided by the Convention to Missions to be maintained.

The Chancellor of the Exchequer reported on his discussions with Dr. Stoltenberg (separately recorded). Dr. Stoltenberg said that he agreed with the Chancellor of the Exchequer's report, and had nothing to add.

The Secretary of State for Defence summarised his discussion with Herr ["]Worner: since they had had two meetings in the previous fortnight, the present discussions had been in general terms, and had concentrated on the need to make progress on the harmonisation of weapons systems through the IEPG, and not to allow WEU machinery to take this over. Herr Worner endorsed the Secretary of State's report, and stressed the need to ensure that French initiatives to revitalise the WEU were directed into an Atlantic framework, and did not develop anti-American overtones. He distinguished between arms collaboration, which it was essential to pursue through IEPG, and military and strategic issues on which it would be worth trying to stimulate exchanges at Ministerial level through the WEU.

/ Sir Anthony Rawlinson

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Sir Anthony Rawlinson summarised the discussions which Mr. Lamont had held with Dr. von Wuerzen (which are reported separately).

Chancellor Kohl underlined the growing importance of damage to forests as a political issue not only in the Federal Republic, but in other central European countries. This problem did not only concern environmental fanatics, but affected the way of life of whole communities. In some areas of central Europe 80% of forests were being destroyed, and the Norwegian Government had also recently expressed their concern to the Federal Government. The problem was that nobody was sure of the reasons for what was happening, but he had little doubt that the lead content of motor vehicle emissions had a large role. He had no desire to be a nuisance to his European colleagues on this matter, but he wanted to make clear the pressure which the Federal Government were coming under. They were already finding it necessary to control coal emissions, which would have a serious effect on coal sales. The Prime Minister commented that an answer to this problem was nuclear power, but this presented other problems. Chancellor Kohl agreed, and said that the German Government were confident that in the next 10 years they would solve the problems of nuclear waste disposal through petrification. The Prime Minister endorsed Chancellor Kohl's comment that it would help if scientists could get nearer to an explanation of the damage caused by acid rain.

The Prime Minister and Chancellor Kohl formally endorsed the draft statement on Anglo/German bilateral relations, and agreed that it should be issued at their Press Conference.

FERB.

2 May, 1984.

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10 DOWNING STREET

From the Private Secretary

3 May 1984

Anglo/German Summit

I enclose a record of the discussion at Chequers on 2 May in which the Prime Minister, Chancellor Kohl, the Foreign and Commonwealth Secretary and Herr Genscher participated.

F. E. R. BUTLER

Roger Bone, Esq.,
Foreign and Commonwealth Office

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NOTE OF A MEETING BETWEEN HEADS OF GOVERNMENT AND FOREIGN
MINISTERS AT CHEQUERS ON WEDNESDAY 2 MAY 1984 AT 1215 HOURS

Present:

Prime Minister	Chancellor Kohl
Foreign and Commonwealth Secretary	Herr Hans-Dietrich Genscher
Mr. F.E.R. Butler	Dr. Immo Stabreit
Mr. L. Appleyard	Herr Wolfgang Ischinger
Interpreter	Interpreter

* * * * *

The Foreign Secretary reported on the discussions he had had with Herr Genscher on the following subjects: Southern Africa, Cyprus, Iran/Iraq, international terrorism, Law of the Sea Convention, Argentina and East/West relations and arms control. The following additional comments were made on the report:-

(a) Cyprus

The Prime Minister noted Herr Genscher's view that the best prospect of putting effective pressure on Mr. Denktash was through the Turkish President. She commented that she did not regard it as a practicable prospect to persuade the Turkish Cypriots to reverse their declaration of unilateral independence in the near future, but she noted the German view that the pressure of the Turkish President was likely to be the most effective way of persuading Mr. Denktash to undertake serious discussions with the UN Secretary General.

(b) Iran/Iraq

The Prime Minister commented that an Iranian breakthrough would incur the risk of provoking the Shi'ites elsewhere in the Middle East and would have an unsettling effect throughout the whole region. Chancellor Kohl agreed. If the Iranians reached Baghdad it would have enormous effects in Jedda, Riyadh and elsewhere. He had told Mr. Shamir that he should be under no illusions about the effect it would have on Israel, because of the implications for Jordan. The Prime Minister said that, even after Khomeini, Iran would remain a powerful country, not only for its own national reasons but also as

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a centre of Shi'ite fundamentalism. The Foreign Secretary was keeping in close touch with the United States Government and was encouraging them to make it clear to the Russians that any moves which the Americans had to take in the Middle East were to be seen as a way of protecting Western interests there and not as a wider move against the Eastern Bloc. There were reassuring signs that the United States and the Russians were in touch with each other on this matter. But there appeared to be no end to the casualties which the Iranians were prepared to accept. Chancellor Kohl commented that Iranian exhaustion with the war was unlikely to come while Khomeini was still alive. Herr Genscher added that, while the West should be prepared with contingency plans for adverse developments in the region, there was an undesirable amount of public comment, for example about the Straits of Hormuz.

(c) Libya

The Prime Minister expressed her appreciation of Herr Genscher's decision to defer his visit to Libya. She said that she hoped to make progress at the Economic Summit or before on collaboration with other developed countries on methods of dealing with international terrorism. There were unacceptable threats to diplomats, as was evident from attacks on British diplomats abroad and foreign diplomats in London. It was known that international terrorist groups were operating, and there was reason to think that they were operating under cover of international diplomacy. So the Vienna Convention would have to be carefully looked at and, in cases where diplomatic status appeared to be exploited by particular countries, representation would have to be suspended or there would have to be a much more rigorous control on numbers and on the acceptability of individual representatives. Herr Genscher commented that the Vienna Convention was an important protection of Western representation in Moscow and the Eastern Bloc. In any action which was taken it would be important not to weaken this protection.

(d) Law of the Sea Convention

Herr Genscher said that while he was personally in favour of the Law of the Sea Convention, he was in a minority in the German Government. The Prime Minister expressed the hope that he would

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remain in a minority and Chancellor Kohl said that there was no prospect of a change in the position of the German Government.

(e) Argentina

Herr Genscher said that he had been impressed, during his visit to Argentina, by the fact that the Argentines made no effort to embarrass him over the Falklands. They had spoken with reticence and moderation, despite the fact that they were well advanced in negotiations through the Swiss about the talks on the normalisation of relations. The Prime Minister commented that the fundamental problem was that the Argentine Government wanted to use any discussions on normalisation of relations to open discussions about sovereignty. The British Government could not hold such discussions. She asked for Herr Genscher's view on the firmness of Alfonsin's position in view of the deterioration of the Argentine economic situation. Herr Genscher said that the Alfonsin Government was still strong. His impression was that the Finance Minister had not seen a way of solving Argentina's problems, but the economic adviser to the President was openly criticising the Minister and urging policies similar to those followed in Britain and Germany. Argentina was in a better position than any other South American country to solve its problems. It had no racial difficulties, a highly skilled labour force and many natural resources. But years of high inflation had damaged their economic psychology.

(f) East/West Relations and Arms Control

Herr Genscher said that there was evidence of a growing debate among the Warsaw Pact about the case for a more positive approach to arms control. This suggested that it was in the Western interest to continue to show a genuine interest in arms control and to reassure the Eastern Bloc that the West genuinely sought peace.

The Prime Minister then reported on her discussions with Chancellor Kohl about the Community budget. Herr Genscher made the observation that the Germans had not regarded the role of Viscount Davignon as helpful. The Prime Minister said that the British had thought that Viscount Davignon was seeking to be helpful and had done a lot of work with him behind the scenes following the

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Brussels Summit. Herr Genscher commented that this was the trouble . He added that Mr. Callaghan had warmly supported the British position when he had met him during a visit to Vienna, and he wished that Chancellor Kohl received similar support from his predecessor.

F.R.S.

2 May 1984

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Check against delivery!

Bundeskanzleramt
Fernschreiberei

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German Policy Today - the Legacy of Konrad Adenauer

Bundeskanzleramt
Fernschreiberei

Konrad Adenauer Lecture

given by Dr Helmut Kohl,

Chancellor of the Federal Republic of Germany,

at St. Antony's College, Oxford,

on 2 May 1984

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EMBARGO:

2 MAY 1984

6.00 p.m.

Mr Vice-Chancellor,
Mr Warden,
Prime Minister,
Excellencies,
My Lords,
Ladies and gentlemen,

It gives me great pleasure to be able to speak to you today in Oxford, with its great and noble tradition, and particularly here in St. Antony's College, where past and present are blended so well.

There are close links between St. Antony's College and the Federal Republic of Germany. As Chancellor of the Federal Republic, I welcome this opportunity to outline some of the main aspects of my Government's foreign policy to citizens of a country whose democratic traditions and virtues have long earned it particular respect among the German people.

As Chairman of the Christian Democratic Union of Germany, I find it gratifying that my address constitutes this year's Konrad Adenauer Lecture.

As a member of the Board of Trustees of the Konrad Adenauer Foundation I am grateful that our relationship with your College has evolved from contacts established by the Foundation.

For all these reasons it is natural that my remarks today on foreign policy should relate to the policy of Konrad Adenauer, the first Chancellor of the Federal Republic of Germany and the first Chairman of my party, a man to whose legacy I am firmly committed.

Adenauer's domestic and foreign policy can only be understood in the light of the personal experiences of a man who had lived through the disaster of World War One and the rise and ignominious collapse of the first German democracy; who, after the Second World War, was confronted with the repercussions of the barbaric Nazi dictatorship and the aftermath of the war.

At home, the Germans had to develop a liberal society and rebuild their country from the ashes. Internationally, Germany had to be led out of isolation and reinstated as a respected and equal member of the world community.

The prevailing difficulties made this seem a Herculean task; the country was divided and torn by social upheaval. More than ten million expellees and refugees had to be integrated. Eighteen million Germans found themselves under the Communist heel. The fate of Berlin, the former Eastern provinces and the Saarland was in the balance. The system of Allied control agreed at Potsdam did not come to an end until 1955.

Internationally, the Federal Republic of Germany was subjected to a mixture of threats and enticements by the Soviet Union. Europe was fragmented. The policies of France and the United Kingdom towards Germany were not free of uncertainties. A revival of United States isolationism was not entirely out of the question.

Against this background, it was clear to Adenauer that domestic and foreign policy could not be separated but had to remain closely intertwined, a principle which up to the present day has remained indispensable in shaping German policy.

Konrad Adenauer laid the foundations of modern German politics; he played a decisive part in developing the Christian Democratic Union of Germany and its Bavarian sister party, the Christian Social Union, into the largest centrist popular bloc in Germany alongside the old-established Social Democrats. The CDU and CSU today form a sturdy pillar and a firm guarantee of German democracy.

By introducing the social market economy, Konrad Adenauer and Ludwig Erhard created the conditions for the development of prosperity and an exemplary system of social justice. The history of the Federal Republic of Germany is marked by the absence of serious social strife.

Adenauer knew, however, that only within a community of like-minded States and peoples could the stability of German democracy, peace, freedom and social justice be permanently ensured in the face of totalitarian Communism.

His decision to opt for a free Europe, for an alliance with the US and for NATO amounted to more than merely a wish to safeguard peace. The supreme objective for him, as for us today, was to preserve freedom.

It was with this in mind that I said in my first Government policy statement on 13 October 1982:

For us Germans "the Alliance is the central element of our raison d'état. It embraces

- the basic values of our liberal constitution to which we are committed,
- the economic and social system under which we live, and
- the security that we need."

The concept of Europe, the future of free Europe, therefore means more to us Germans than the demand for a flourishing free-trade zone or economic community.

Adenauer's decision to integrate free Germany unreservedly and irrevocably into the free world of democratic nations was a momentous act unprecedented in German history.

What invariably mattered in the European power system were the strategic corridors which crossed in the centre of the continent, hence the struggle by all powers to wield influence in Central Europe.

For Germans the Europeanization of the heart of our continent was always a source of both temptation and doom: temptation, because the attainment of nationhood would necessitate a rebellion against the prevailing power system. Doom, because Central Europe could not be in full control of its own destiny and because any revolt would threaten the national existence and would herald partition and thus disaster.

Adenauer was concerned that renewed German nationalism, shortsighted pacifism and neutralism might cause distrust of Germany to break out anew. Adenauer's policy of integration into the West sought to counteract this danger and to safeguard democracy in Germany.

The relevance of that decision to our times is illustrated by those developments in Europe which can be grouped under the broad heading of "anti-Americanism". Historical experience shows that these tendencies in Germany must be taken seriously.

I need not spell out the possible repercussions of such a development on the European order and the structure of our Western Alliance. Precisely this danger makes the present Federal Government regard the decision in favour of European integration as irreversible.

Today Europe and the European Community are faced by the question of how the process of European unification can best be advanced during the coming years. It is of prime importance that this task be approached from the perspective formulated in the preamble to the EEC Treaty, in which the founders of the European Community announced their determination to lay the foundations of an ever closer union in peace and freedom among the peoples of Europe.

This wording is unambiguous. It says clearly that this Community, to put it graphically, is more than just a bank into which members deposit a sum of money in the firm expectation that they will subsequently be able to withdraw a larger sum.

It must be made clear that all member States of the Community consider themselves permanently committed to the goal of European unification and that they regard the process which has brought us this far along the road as irreversible.

The outcome of the Brussels summit meeting is reason enough to recall these guidelines. The meeting of the European Council on 19 and 20 March was a bitter disappointment for the European public at large. I share this disappointment.

But at the same time we must not overlook the fact that, notwithstanding the result in Brussels, we had managed by the first months of this year to complete most of the tasks we set ourselves at the Stuttgart summit in the summer of 1983.

At the European Council meeting in Brussels the Federal Government did all in its power to try to make the summit meeting a success. As had been the case with successive Federal Governments during the past decades, it was prominent among those member States which pressed emphatically and convincingly for an ever closer union of the free peoples of Europe.

For that reason every Federal Chancellor since Konrad Adenauer has urged that national demands, justified though they may be, should be subordinated to the survival and the development of the Community. I take the same view.

The Federal Government will keep pursuing the path towards Europe. Not for one moment will it forget what is at stake for our continent.

It is still a question of whether Europe is capable, given the complexities of the international situation, given the military threat, economic and ecological problems, to bring the interests of its member States to a common denominator and to unite. And there is no doubt in my mind that this unity will eventually require a tighter political organization.

Europe must learn to speak with one voice, in its relations with the United States as elsewhere. The question of the next months and years will be this: is every member of the Community prepared to regard its membership as irrevocable, even during the hardest of times? We most certainly are.

Are all members prepared to work for the political union of Europe without ifs and buts? The Federal Republic of Germany is.

I hope that the answer our partners give to these two crucial questions will be the same as ours.

We shall not only have to talk about economic and political matters in the Community, but also increasingly about problems of security policy. The introduction of security as a component of European unification policy can of course be no alternative to the North Atlantic Alliance.

The Alliance is indispensable to the free peoples of Europe for as long as they are confronted by an imperialist super-power on European soil.

But it is essential that Europeans should increase their weight and influence in NATO, that they should assert their own specific interests more effectively than in the past. The Atlantic Alliance must be adapted to the conditions and demands of the future and the European pillar of the transatlantic partnership strengthened.

At the same time it is important to the Federal Government and the vast majority of the population of the Federal Republic that NATO, and particularly the close friendship and partnership with the United States, should remain the cornerstone of German security policy and the guarantor of our freedom.

Only a strong and united Alliance can safeguard peace in freedom. The Alliance guarantees our independence. It serves the cause of peace in Europe and throughout the world and remains the basis of genuine détente.

The Alliance, but also an improved East-West relationship, are indispensable conditions for progress in arms control and disarmament. The primary aim of the Atlantic Alliance was and is to prevent war, and so to preserve peace and freedom. The surest and hitherto sole guarantee against war is de-

terrence, including nuclear deterrence, for the Warsaw Pact possesses conventional superiority to this day.

The Soviet nuclear build-up in the seventies forced the Western Alliance to decide on appropriate countermeasures. By making a negotiated solution impossible, the Soviet Union regrettably spurned the NATO offer of an agreement on intermediate-range nuclear disarmament which would have obviated Western INF modernization. In so doing they assumed a grave burden of responsibility.

The Alliance withstood the internal and external pressures to which it was exposed during the modernization debate; it passed its acid test, one of great political and psychological importance, and emerged strengthened from the INF debate.

The West is prepared to return to the bargaining tables at any time to continue discussions on nuclear arms control and disarmament.

The paramount objectives of my Government's security policy, like that of all previous Federal Governments, have been and will remain the prevention of a military confrontation in Europe, an end to the arms race on European soil and in the world and guaranteed security at a low level of armaments.

As early as 1954, in the Paris Agreements, the Federal Government under the Chancellorship of Adenauer renounced the right to manufacture weapons of mass destruction, in particular atomic weapons but also chemical and biological weapons. We stand by this decision.

Wherever possible, the Federal Republic of Germany has supported arms control and disarmament efforts. Progress in arms control presupposes greater mutual trust between East and West. The Federal Government will help in any way it can to restore the broad base of the East-West dialogue.

German Ostpolitik had its roots in Adenauer's early efforts to forge a business-like and constructive relationship between the Federal Republic of Germany and the Soviet Union. The establishment of diplomatic relations between Bonn and Moscow in 1955, following Adenauer's visit to the Soviet Union, and the conclusion of the Treaty of Moscow 15 years later are milestones in the postwar development of German-Soviet relations.

My Government seeks constructive and stable relations with our neighbours in Central and Eastern Europe, including the Soviet Union. The Soviet Union is a difficult partner; since the end of the Second World War, its policy has violated German and European interests. Nevertheless, any policy aimed at preserving and stabilizing peace in Europe requires that dialogue with the Soviet Union, the world power which is our close neighbour on European soil, be continued and that the attempt be made to improve relations with Moscow; this is especially necessary in difficult times.

We observe the agreements we have concluded; we act in accordance with the United Nations Charter and the Helsinki Final Act.

Aware of the rich common heritage of our continent and conscious of our European responsibility, we shall not relax our efforts to preserve the advances made in relations with our neighbours in Eastern and South-eastern Europe and to go on developing them.

The Federal Government's pursuit of security and peace serves a high political purpose, namely to overcome the division of Germany and Europe. Together with the free West and within the European framework we have the duty and the will to shape our future and to settle our national question as an act of peace.

We are aware of the European dimension of the German partition, which we shall be able to overcome only in the long term, with the support of our neighbours in Europe, and by peaceful means. We categorically reject war and the threat or use of force as a political instrument. We realize how great a responsibility devolves upon our country in particular as a stabilizing

factor at the heart of Europe. One thing is certain: the Germans will never again neglect their European responsibility.

Our responsibility for Europe is also reflected - and particularly so - in our relations with the German Democratic Republic. The leadership of the German Democratic Republic is anxious to reinterpret German history and to assume the inheritance of this revised history. Behind the presentation of German history by the German Democratic Republic is the idea of a united Socialist-Communist Germany. The object is to create a sense of national communist identity as a substitute for the legitimization of a society whose philosophy and reality have never been sanctioned by the people of the German Democratic Republic in free elections nor ever would be.

The German people therefore expect every Federal Government to work persistently for a state of peace in Europe in which they can recover their unity in free self-determination.

But those who support the idea of unity must approach and seek contact with the people of the German Democratic Republic. We want to arrive at practical solutions. That, too, is a way of meeting our national responsibility.

The more successfully the hardships of German partition can be eased and partition overcome within a stable and peaceful order in Europe, the more firmly will peace be consolidated in Europe.

A long road lies ahead of us before that can come about. But we have no reason to become discouraged. History never speaks a last word; it never creates an irreversible situation. International politics are in a constant state of flux.

Progress in relations between the two German States also affects Berlin. This city has a dual role to play in both Germany and in Europe:

- it symbolizes staunch defence of democracy and human rights by the free peoples of the West, and
- it is at the same time a barometer of relations between East and West.

France, the United Kingdom and the United States are active in Berlin in their own right. Their presence is a living symbol of our partnership in the Atlantic community; the three powers are defending the "principles of democracy, individual liberty and the rule of law", as the preamble to the North Atlantic Treaty puts it.

We Germans owe a great debt of thanks to the three Allied powers in Berlin. We remember with gratitude the words you spoke, Mrs Thatcher, on your visit to Berlin on 29 October 1982:

"Their (the British forces') presence demonstrates the continuing commitment of Britain, with our French and American Allies, to uphold the freedom of your city. They remain here because there is a vital task for them to do and because you want them to do it. ... We shall work to ensure that these cornerstones of Western freedom continue to guard our way of life."

I have addressed some of the elements of German policy, the basic principles and aims of my Government. As a leading industrial nation, the Federal Republic of Germany has diverse worldwide interests. Our eyes are not solely trained on Europe, the United States and the Middle East. Our relations with Africa, Asia and Latin America, with the entire Third World, play a major part in our thinking and action in the field of foreign affairs.

Co-operation with the Third World is an important part of our policy for worldwide peace; it is based on respect for the independence and self-determination of these countries.

We must all contribute to the peaceful settlement of the conflicts in Africa, Asia and Latin America; we must help to overcome poverty, hunger, despair and intolerable social divisions.

All States, whatever their social order, are subject to the same responsibility to provide assistance in a spirit of solidarity.

Since the Federal Republic of Germany was founded, our political activity has focused on particular areas whose importance derives from historical experience and the geographical position of our country. These are, of course, the European and Atlantic areas. The national question, European unification and the security of Europe will continue to receive the special attention of every future Federal Government.

The conviction of Konrad Adenauer, the first Chancellor of the Federal Republic of Germany, his legacy to us, that only in close concert with the democratic nations of the West could Germany hope to solve its national problems one day by peaceful means, has become the guiding principle of the policies of all Federal Governments. We shall continue to pursue this course. By so doing, we want to render our contribution to the peace and freedom of the entire Western world.

SECRET



10 DOWNING STREET

From the Private Secretary

2 May, 1984.

Dear Len,

Anglo/German Summit

I enclose a record of the *tete-a-tete* conversation between the Prime Minister and Chancellor Kohl which took place at Chequers today. Other records will follow shortly.

I should be grateful if you and the other recipients of this letter would protect the record carefully. It should be shown only to those who have a strict operational need to know of its contents.

I am copying this letter and its enclosure to David Peretz (HM Treasury) and Richard Hatfield (Cabinet Office). I am writing separately to convey to the Chairman of the Conservative Party the exchange recorded on pages 6 and 7 of the record about cooperation between like-minded groups in the European Parliament.

Yours ever

John Major

Len Appleyard, Esq.,
Foreign and Commonwealth Office.

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SUBJECT
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RECORD OF CONVERSATION BETWEEN THE PRIME MINISTER AND THE
CHANCELLOR OF THE FEDERAL REPUBLIC OF GERMANY AT 1140 HOURS
ON WEDNESDAY 2 MAY 1984 AT CHEQUERS

Present: Prime Minister Chancellor Kohl
 Mr. Coles Dr. Stabreit
 Interpreter Interpreter

* * * * *

After a brief exchange of a general nature the Prime Minister suggested that the discussion should concentrate on the European Community. She was very concerned about the present situation, especially the perception that the Community could not solve its problems. This was a particularly unfortunate impression just before the opening of the European election campaign and given the difficult international background. In a year of American elections the Community should present a better image to the world. She did not disguise the fact that she would like the outstanding problems relating to the Stuttgart package to be settled before the election campaign began.

Chancellor Kohl said that that remark was very interesting. He had not been sure whether the Prime Minister had wanted a settlement before the elections. The Prime Minister replied that she had wished to see a settlement at Brussels.

Chancellor Kohl said that German journalists working in London and Paris had reported that the Prime Minister's tactic was to enter the elections with these questions still open - and then settle them at the next European Council. The German interest was to conclude as soon as possible. This was not for electoral reasons. The European election campaign presented him with no significant problems. In Germany the issues would be domestic. Economic prospects were better than he had hoped. It looked as though Germany would attain 3% growth this year.

/ Unemployment

SECRET

Unemployment was likely to fall below 2 million for the first time by June. There was a monthly drop of 150,000 in the unemployed figures. In the next four weeks he would seek to obtain decisions on tax reductions to operate from 1 January 1986, with the necessary legislation being passed in May 1985. He wished to conduct a positive and optimistic campaign in the European elections. The SPD's campaign was a miserable affair. The disarmament issue had collapsed and the Easter demonstrations had been laughable.

The unions were divided on the issue of the 35 hour week. But he intended to sit it out and not give in. If there was a strike, it would not be a success for the unions.

It would be bad if people concluded that Great Britain was responsible for a Community failure. Germany needed Great Britain within the Community and he had said this clearly. We must not manoeuvre ourselves into a psychological cul-de-sac. The Brussels European Council had achieved a number of positive results. As regards the control of expenditure, Ministers of Finance ought to be able to settle the remaining problems by June.

The Prime Minister said that she did not know where the idea had arisen that she wished to enter the European election campaign without a solution. This was totally contrary to her position. On the second day of the Brussels European Council she had had a private meeting with President Mitterrand and had said that she wanted a settlement. British and French officials had met and had agreed on a system which protected not only the position of Britain but also that of Germany. Furthermore, it protected the position of Portugal which under the present ridiculous system would be a net contributor - that would be enough to turn Portugal Communist again.

The United Kingdom had moved a long way at Brussels. Starting from a figure of 1500 million ecus for the first year, we had moved to 1322 - and then to 1250 because she had understood that that figure could be accepted by the Federal Republic. She would never have moved from 1322 unless she had thought that this would clinch the issue. That figure still left us a significant

contributor in relation to our GDP.

There was no question of Britain being anything other than loyal to Europe. She could challenge every other Member State, Germany apart, to show how it did more for Europe than Britain. We kept 65,000 troops on the front line. We brought to the Community 60% of its waters and about the same proportion of fish. We had an adverse balance of £8 billion in manufactured goods with the rest of the Community. We provided a market for agricultural produce but we were denied markets in the areas where we were particularly strong such as services.

Even on the basis of the system which was on the table at Brussels Britain, like Germany, would still be a net contributor. We should thus be subsidising countries like Denmark more heavily than countries like Bangladesh, Zimbabwe and Mozambique.

We were not prepared to go on contributing an unfair amount. We would pay our contribution to the club. We had moved a great deal at Brussels, for example by accepting the VAT share/expenditure share gap as the basis of measurement. President Mitterrand had tried hard to get a solution. We ought to make another attempt to obtain one at the meeting of the Foreign Affairs Council on 14 May. This was not a matter of domestic politics. But the British people felt with some justice that they were getting a raw deal from the Community.

We were passionate Europeans. We joined the Community so that the conflicts that had occurred in the past could not recur in the future. No-one contributed more than we did to the defence of Europe. It was a great weakness that France was not integrated into NATO. Europe could have much more influence in the world - with the United States, across the East/West divide and in the Third World. But our people questioned how we could achieve these things when the basic arrangements were unfair. The Labour Party might well argue that they could achieve a better deal in the Community by threatening to withhold. But she had made it clear that she would not go against the Community until the Community was in default with us. As a matter of honour rather than legality the Community was already in default in the

matter of refunds. The Stuttgart Communique was relevant here. Chancellor Kohl said that he agreed.

The Prime Minister said that the Community might dishonour its word but we could not. We upheld international law and kept our word. The Chancellor, President Mitterrand and she were electorally safe for a long period. If we could agree on a solution to the outstanding problems, the other Member States would follow.

Some of the other Member States did not share the British and German vision of the world. If we reverted to discussions among the Berlin Four, we could be a very powerful voice in the world, despite the problems which this arrangement would create with some other Member States.

With regard to the budget problem, she had little room for manoeuvre and she could not move another inch unless this would clinch a deal. But she did not wish to go into the European elections with the Community presenting a bad spectacle. She would be meeting President Mitterrand on Friday.

The question arose of whether we could not now agree on the figure to be injected into the system. Then the final details could be settled, perhaps at a special European Council before the elections. Her worry was that President Mitterrand might not want a settlement before the next European Council.

Chancellor Kohl said that he did not think that that was the President's view. The tactic of delay was wrong. The image of Europe was miserable. He believed that Mitterrand, for domestic reasons, would welcome the success of having obtained agreement. The Prime Minister commented that we could give him that success and openly praise his efforts. Chancellor Kohl said that if these matters could be sorted out he would be quite ready to meet one evening in Brussels and endorse a settlement.

The Prime Minister pointed out that the system on the table at Brussels contained advantages for Germany. On the figures

we were of course prepared to move a little from 1250. But we could not move much. Some people thought she had already gone too far. She could not accept an unfair deal but very much wanted a fair one. It was worth making a major effort to achieve this in order that a larger vision of the Community could be developed. It was a matter of Britain, France and Germany agreeing on a figure and selling it to the others. She too was ready to meet in Brussels at any time but on condition that agreement had been reached informally in advance.

She was under criticism for having accepted the agricultural price settlement. It was essential to stick to the view that a strict financial guideline should be embodied in the Community's financial procedures. Chancellor Kohl said that he entirely agreed. The Prime Minister said that she had detected little resolve at the last European Council among the smaller states to tackle the fundamental problems.

Chancellor Kohl observed that our requirements on financial discipline could be achieved. Enormous progress had been made on the milk surplus. He believed that we should aim to settle the outstanding matters before the elections. He proposed to telephone the President of France tomorrow and tell him that we should work for a settlement in the near future. He would add that there would be no point in a meeting of the European Council unless everything had been sorted out in advance. And he would insist that by the time of the European Council Finance Ministers should have completed their work on financial discipline.

The Prime Minister said that she was anxious about enlargement. The most important point was to bring Spain and Portugal within the democratic grouping of the Community. She understood that the negotiations with Spain about tariffs had made no progress. It was necessary to give a boost to the Community but this could not be done until the budget problem had been settled. We had been working through Commissioner Davignon and had made some progress but then matters had come to a halt. We should try to get M. Dumas and Commissioner Davignon working again. We would give this top priority because the prize was so great.

Chancellor Kohl said that he concluded that there was a chance of a settlement. The Prime Minister repeated that she had some room for manoeuvre but not much. Chancellor Kohl commented that we should aim at a fixed system. The main point for decision was the basis in the initial year. The Prime Minister said that we had to talk in terms of 1983 figures since that was the only year for which the figures were known. Once we had fixed the 1983 figure we could then decide how much of it to allocate to the threshold and how much to the ticket moderateur. Chancellor Kohl said that there must be "auto-participation" in the Community's increased expenditure.

The Prime Minister said that perhaps M. Dumas and Commissioner Davignon could bring about an agreement between Britain, France and Germany. Chancellor Kohl said that he agreed that we should make another attempt. He would tell President Mitterrand that we should aim to get an agreement within the next fortnight. Technically, there was no problem.

The Prime Minister said that we were working on a paper on the role of the European Community in the wider world, as she had promised Chancellor Kohl on a previous occasion.

On another matter, she was concerned that there was insufficient co-operation between like-minded groups in the European Parliament. We would continue to use the label "conservative". This did not mean a concern simply to preserve old practices but rather to keep the best of the past and adapt to the future. There had been limited co-operation between her Party and that of Chancellor Kohl although both subscribed to the international grouping of the centre right. If we failed to co-operate and put up a good candidate for the President of the new Parliament, we should let the Socialists in. Chancellor Kohl recalled that he had discussed this problem with the Prime Minister two years ago. We could not achieve anything in the European Parliament in the long run if we did not establish a common party in that body. This could not be done overnight but it could be achieved in the foreseeable future. The Prime Minister suggested

that personal representatives should meet as soon as the election results were known. Chancellor Kohl agreed but said that there might be a problem with Chirac. He himself was open to any sensible discussion and quite agreed that personal representatives should get together at the right time.

Chancellor Kohl then raised the question of the Presidency of the European Commission. He had heard the suggestion that the tenure of the present Commission should be extended. The Prime Minister said that that was a bad idea. The present President and the present British and German Commissioners were not good enough. Chancellor Kohl said that this was true; he agreed with the Prime Minister. But nor was he enamoured of the idea that each country should have only one Commissioner. The Prime Minister said that the alternative of adding two extra Commissioners to the present Commission when Spain and Portugal entered was ridiculous. The bureaucracy in Brussels was already too big. Chancellor Kohl agreed - but it was not acceptable that Luxembourg and the United Kingdom should have the same number of Commissioners.

The Prime Minister said that Commissioner Davignon was a strong and skilled candidate for the next Presidency of the Commission. Unless another good candidate came forward, he would be a front-runner. Chancellor Kohl said that he was still considering this matter. Germany would present a first class candidate. He would never agree to Davignon. He did not see why the Benelux countries should provide the next President.

There was another problem which was causing him concern, namely Ministerial participation in the Economic Summit. He could not change the arrangements of the German Cabinet. The economy and finance came under two separate departments. It was quite clear that both the Finance Minister and the Minister of the Economy must attend the Summit. When the economy was under discussion, the Minister for the Economy would attend. When finance was being discussed, the Finance Minister would do so.

/ The Prime Minister

The Prime Minister commented that the problem was that other countries were now trying to adopt a similar pattern. Japan was a case in point. In plenary we would follow the same rule as had always been observed. There would be three seats for the German delegation and the Chancellor could decide who occupied them. The problem arose at the separate discussions held by Foreign Ministers and Finance Ministers. Some countries were now asking for two seats at the meetings of Finance Ministers. Chancellor Kohl said that the arrangement whereby each delegation had three seats in plenary presented no problem. But he did not understand the problem relating to the separate meeting of Finance Ministers. Only Japan and Germany were in difficulty.

Returning to the question of the European Community, Chancellor Kohl reiterated that he would telephone President Mitterrand the next day, ask him to get things moving, suggest that he work on the basis of the 1983 figures and press him to ensure that Ministers of Finance completed their work on the financial discipline quickly. The Prime Minister said that she hoped we could aim to get all questions, including that of financial discipline, settled before the elections. Chancellor Kohl agreed that that should be the aim. But he was still worried about the CAP. Progress had been made on milk but so far there had been nothing but rhetoric in relation to Mediterranean products. The Prime Minister agreed, adding that cereal prices should have been set at a lower level.

In conclusion, it was agreed that nothing should be said either to the plenary session or to the press about the understanding reached between the Prime Minister and Chancellor Kohl on European Community issues. The Prime Minister promised to telephone Chancellor Kohl next weekend to give him an account of her meeting with President Mitterrand.

The discussion ended at 1205.

A.S.C.

2 May 1984



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RECORD OF A DISCUSSION BETWEEN THE CHANCELLOR AND THE
FEDERAL GERMAN FINANCE MINISTER AT CHEQUERS AT 11.30 am
ON 2 MAY 1984

Present:

Chancellor
Mr Unwin
Mr Peretz

Dr Stoltenberg
Dr Heck

COMMUNITY MATTERS

The Chancellor said that he found the Commission request for extra funds to meet the prospective 1984 overspend extremely unattractive. Dr Stoltenberg said that the question had not yet been discussed in the German Cabinet, but his personal view was that:-

(a) the Commission's estimate of their financing needed very careful checking;

(b) the savings proposed by the Commission were too low, and they should be pressed to find further savings for 1984 and 1985;

(c) nevertheless, he feared that at the end of the day there would be a gap. His view was that for domestic reasons it would not be possible to allow the CAP to collapse. He would be recommending against the Commission request for a loan; but thought that in the end it might be necessary to consider national finance to meet agricultural needs.

2. The Chancellor agreed with (a) and (b), and added that he personally believed that there was no prospect at all of the UK Parliament approving any extra money for the Community



while Britain's 1983 refunds remained blocked, and before agreement had been reached on the budgetary imbalance problem.

3. Dr Stoltenberg expected that, were no action taken, the Commission would run out of funds for agricultural intervention by October or November. The Chancellor agreed that it would be desirable to discuss such problems between Finance Ministers well in advance.

4. Turning to the other budgetary matters, Dr Stoltenberg noted that these were largely for discussion between Foreign Ministers and Heads of State. He noted that the outlines of a potential agreement were already in place, and that the two important outstanding questions were about the reference rate for the new budgetary imbalances system, and the question of the correct compensatory rate.

5. Dr Stoltenberg also said an important question for the Germans was whether, right from the start of the new system, some modest financial relief for Germany could be allowed for. When the Chancellor doubted whether this would be possible to negotiate, he referred to the German assumption of a two-thirds financial participation in the UK rebate.

6. The Chancellor said that it was important that the system should start in 1985. He also agreed with Dr Stoltenberg it was desirable for the problems to be solved during the French Presidency.

7. On budgetary discipline, Dr Stoltenberg thought (and the Chancellor agreed) that it would be important for ECOFIN to do some further work. The Chancellor thought the objective should be to tighten up the present proposals: for example to ensure that the financial guideline for agriculture was binding, and that so also was overall financial control on the Commission.



8. Dr Stoltenberg was in favour of a discussion of this issue at the May ECOFIN. No progress had been made on it since just before the Athens summit; indeed to some extent matters were less advanced than they were then. What was missing was regular consideration of Community budgetary matters by Finance Ministers, in the way that individual Finance Ministers operated with regard to domestic expenditure. Depending on how the discussion at the May ECOFIN went, it might either be appropriate to remit the subject to a group of senior Community Finance Ministry officials to look at the details; or to pursue it at official level bilaterally or tri-laterally (with the French) first. It was also agreed that there should be further bilateral discussion between UK and German officials before the May ECOFIN.

DLCP

D L C PERETZ

Distribution:

PS/Chief Secretary
PS/Economic Secretary
Sir P Middleton
Mr Littler
Mr Unwin
Mr Fitchew
Mr Lovelle
Mr Bostock
Mr Mortimer
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Mr Ridley
Mr Coles, No 10
Mr Appleyard, FCO
Mr Williamson, Cabinet Office
Sir J Taylor, British Embassy, Bonn
Sir M Butler, UKRep, Brussels

CONFIDENTIAL



10 DOWNING STREET

From the Private Secretary

2 May, 1984.

Anglo/German Summit

I enclose an extract from the record of the conversation between the Prime Minister and Chancellor Kohl which took place at Chequers today. The extract deals with the question of cooperation between like-minded groups in the European Parliament. I should be grateful if you could ensure that this record is closely protected, and shown only to those who have an essential need to know of what transpired. It has been sent separately to the Foreign and Commonwealth Secretary.

A. J. COLES

John Selwyn Gummer, Esq., M.P.

CONFIDENTIAL

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A
The Prime Minister said that we were working on a paper on the role of the European Community in the wider world, as she had promised Chancellor Kohl on a previous occasion.

On another matter, she was concerned that there was insufficient co-operation between like-minded groups in the European Parliament. We would continue to use the label "conservative". This did not mean a concern simply to preserve old practices but rather to keep the best of the past and adapt to the future. There had been limited co-operation between her Party and that of Chancellor Kohl although both subscribed to the international grouping of the centre right. If we failed to co-operate and put up a good candidate for the President of the new Parliament, we should let the Socialists in. Chancellor Kohl recalled that he had discussed this problem with the Prime Minister two years ago. We could not achieve anything in the European Parliament in the long run if we did not establish a common party in that body. This could not be done overnight but it could be achieved in the foreseeable future. The Prime Minister suggested

that personal representatives should meet as soon as the election results were known. Chancellor Kohl agreed but said that there might be a problem with Chirac. He himself was open to any sensible discussion and quite agreed that personal representatives should get together at the right time. B

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Foreign and Commonwealth Office

London SW1A 2AH

1 May 1984

John [unclear]

*AS 1/5
F-a.*

Anglo-German Summit at Chequers on 2 May: Checklist for the Prime Minister's Briefing Meeting at 1630 on 1 May

As requested by the Cabinet Office I enclose a checklist for the Prime Minister's meeting this afternoon.

The checklist takes account of your suggestion that subjects be divided into those for discussion between the Prime Minister and Chancellor Kohl in *tete-a-tete* talks, and those which might best be taken when Foreign Ministers join the meeting.

I also enclose a copy of Sir Jock Taylor's scene-setting telegram.

I am copying this letter to the Private Secretaries to Chancellor of the Exchequer, Minister of Agriculture, Secretary of State for Trade and Industry, Minister of State for Trade and Industry, Sir Robert Armstrong, and to Sir Peter Middleton (HM Treasury), Sir Michael Franklin (MAFF), Sir Brian Hayes (DTI), Sir A Rawlinson (DTI), David Goodall (Cabinet Office), David Williamson (Cabinet Office) and to Sir Jock Taylor.

[Signature]
(R B Bone)
Private Secretary

A J Coles Esq
10 Downing Street

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ANGLO-GERMAN SUMMIT: 2 MAY 1984

CHECKLIST FOR THE PRIME MINISTER

<u>Brief No</u>	<u>Subject</u>	<u>Main Points</u>	<u>Other points relevant to handling the subject</u>
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For tête à tête with Dr Kohl (It is recommended that the subjects of briefs 3 and 4 should be discussed at the tête à tête, and others as time permits.)

3(a), 3(b) The European Community

Convince Kohl of our desire to complete the post-Stuttgart negotiations and, in particular, to resolve remaining differences on budget imbalances, before the European election Campaign if possible; and at the latest by the end of the French Presidency.

FRG is still seeking some form of relief for itself under the budget system. Any relief for Germany will increase costs to other Member States and thereby diminish our chances of negotiating an outcome successful from our point of view.

Remind Kohl of fundamental common interest of FRG, UK and France in a soundly financed Community. Seek German support for early progress by Finance Ministers on working out legal texts on budget discipline.

Remind Kohl of our interest in relaunch of Community and its development and our desire to work with FRG to achieve it. Work well in hand on British paper on the Future of European Cooperation which the Prime Minister called for.

CONFIDENTIAL
Main Points

Other points relevant
to handling the
subject

Brief No

Subject

3(c)

Community
Agricultural
Matters

Restrain growth of
CAP expenditure.
Resist revenue
raising measures.

4

Political and
Defence
Cooperation in
Europe

Open-minded about
a more active role
for WEU. Not
damage NATO or
good transatlantic
relations.

Kohl has an
imprecise vision
of European union.
Genscher strongly
favours reviving
WEU. Foreign
Ministers meeting
fixed for 24 May
but postponed by
Cheysson.

To be discussed at lunch

5

International
Economic Issues
and The London
Economic
Summit.

How can the economic
recovery develop in
to sustainable
growth.

Discuss over lunch.
Seek German
cooperation in
preparation for
summit. No third
Minister.

London
Economic
Summit -
Political
aspects.

Make best use of
time. Foreign
Ministers choose
their own agenda.
Terrorism?

Official's meeting
18 May to compare
notes on possible
items.

To be discussed when Foreign Ministers join Prime Minister and
Chancellor Kohl

6

East/West and
Inner German
relations

Compare assessments.
Ask about the GDR.

Both agree on need
for more dialogue.

7

Arms Control
and Disarmament

Discourage Germans
from "fidgeting"
while Russians
refuse to negotiate.

Germans keen for
visible activity

8

United Nations
Law of the Sea
Convention

Press the Germans
not to sign the
Convention in its
present form but to
sign the Provisional
Understanding.

Divided counsels in
Bonn. Raise with
Kohl, Genscher and
von Wuerzen.

9

Falkland
Islands/
Argentina

Press Kohl to support
our case when he
visits Argentina
in July.

Genscher has just
visited Argentina.

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<u>Brief No</u>	<u>Subject</u>	<u>CONFIDENTIAL Main Points</u>	<u>Other points relevant to handling the subject</u>
10	Bilateral Relations	Issue a statement on bilateral relations.	Text has been approved in Bonn and in Whitehall.
Subjects for separate discussion by Foreign Ministers			
<u>General Brief paragraph:</u>			
19	Airbus A320	Use V2500 engine on Airbus.	German firm (MTU) is in the consortium.
20	CERN	Review of High Energy Particle Physics does not preempt Government decision on withdrawal. No decision yet.	Germans would very much regret withdrawal.
	US manned space station	Cautious but have not ruled out participation through ESA.	
21	Environment	Show understanding for German problems.	Germans may introduce national measures ahead of the Community.
22	Libya	Need to coordinate policy.	Genscher postponed his visit. Foreign Ministers will discuss.
22-23	Middle East	Little scope for action by Ten on Lebanon. Agree on need for negotiation through Secretary General to end Gulf War. If oil supplies threatened IEA coordination would be necessary.	
24	South Africa	Impress on P W Botha need for early progress on Namibia.	Botha is visiting London, Bonn and some other capitals in early June.

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<u>Brief No</u>	<u>Subject</u>	<u>Main Points</u>	<u>Other points relevant to handling the subject</u>
25	Nigeria	Military government to reach agreement with the IMF.	
26	Central America	UK is against EC aid.	Germans favour increased EC aid.
27	Hong Kong	Explain position.	Germans interested in this.

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GRS 990
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FM BONN 271605Z APR 84

TO IMMEDIATE FCO

TELEGRAM NUMBER 419 OF 27 APRIL

INFO IMMEDIATE BMG BERLIN (FOR AMBASSADOR) MODUK (FOR PS/S OF S,
PUS, DUS P, DS12)

INFO SAVING UKREP BRUSSELS UKDEL NATO WASHINGTON PARIS

ANGLO-GERMAN SUMMIT, 2 MAY: GERMAN PREOCCUPATIONS

SUMMARY

1. KOHL WILL WANT THE SUMMIT TO BE SEEN AS A SUCCESS, AND IS THEREFORE UNLIKELY TO HARP ON THE BRITISH PRESS CRITICISM OF HIM AFTER THE BRUSSELS SUMMIT. HE WILL BE KEEN TO EXPLORE THE SCOPE FOR PROGRESS ON THE EC BUDGET. HE MAY STRESS HIS WISH TO MAKE STRIDES TOWARDS EUROPEAN UNION BUT HIS IDEAS ON WHAT THIS MEANS AND HOW TO ACHIEVE IT SEEM STILL VAGUE.

DETAIL

2. THE KOHL GOVERNMENT IS GENERALLY DOING WELL, WHILE THE SPD OPPOSITION IS CUTTING VERY LITTLE ICE. WITH INF DEPLOYMENT ON TRACK AND THE GERMAN PEACE MOVEMENT, THOUGH ALIVE, KICKING WITH DIMINISHED VIGOUR, THE GOVERNMENT IS DEVOTING MOST OF ITS DOMESTIC EFFORTS TO THE ECONOMY. ECONOMIC GROWTH HAS RESUMED ON A BROAD FRONT AND IS EXPECTED TO CONTINUE AT LEAST INTO 1985. OUTPUT, EXPORTS AND INVESTMENT ARE GROWING, INFLATION IS STEADY AT 3 PER CENT AND UNEMPLOYMENT HAS STOPPED GROWING AND SEEMS TO BE DECLINING. THE GOVERNMENT'S CHIEF POLICY PREOCCUPATION IS THE SHAPE, VOLUME AND TIMING OF INCOME TAX REFORM. DECISIONS OF PRINCIPLE ARE EXPECTED NEXT MONTH THAT COULD PAVE THE WAY FOR TAX CUTS TO BOOST THE ECONOMY BY ANYTHING UP TO DM25 BILLION IN THE PERIOD 1986/88. THE IMMEDIATE PROBLEM IS THE DISPUTE BETWEEN EMPLOYERS AND EMPLOYEES OVER THE UNIONS' DEMAND FOR A 35 HOUR WEEK. ON BALANCE, A COMPROMISE INVOLVING A MUCH SMALLER, AND PERHAPS DELAYED, REDUCTION IN WORKING HOURS SEEMS LIKELY. BUT WIDESPREAD STRIKES ARE NOT EXCLUDED AFTER WORKERS ARE BALLOTTED IN EARLY MAY. IF THEY TAKE PLACE, THE STRENGTHENING RECOVERY WILL BE CHECKED.

3. CERTAIN PROBLEMS CONTINUE TO MAR THE GOVERNMENT'S PUBLIC IMAGE. IN AN UNEVEN MINISTERIAL TEAM, TWO OF THE BRIGHTER STARS HAVE UNCERTAIN FUTURES. LAMSDORFF MAY YET BE TRIED IN THE FLICK PARTY EXPENSES AFFAIR. WOERNER'S JUDGEMENT HAS BEEN CALLED SERIOUSLY INTO QUESTION BY THE KIESSLING AFFAIR AND HIS POLICY TOUCH IS ALSO LOOKING UNSURE AT PRESENT: SEE MY SEPARATE TELEGRAM TO MOD ABOUT BUNDESWEHR MANPOWER. GENSCHER HAS A DEFFERENT KIND OF WORRY: THE FDP'S RATINGS IN THE OPINION POLLS CONTINUE TO BE VERY LOW.

4. THE GERMANS REMAIN SATISFIED WITH THEIR BILATERAL RELATIONS WITH BRITAIN. KOHL WILL NOT WANT TO GIVE A PUBLIC IMPRESSION OF ESTRANGEMENT BETWEEN US, AND THEREFORE, I THINK, WILL SWALLOW HIS UNDOUBTED ANNOYANCE AT BRITISH PRESS CRITICISMS OF HIM AFTER THE BRUSSELS SUMMIT.

15

5. KOHL'S FIRST PURPOSE AT CHEQUERS WILL BE TO EXPLORE SOLUTIONS TO THE COMMUNITY FINANCING PROBLEM. HE FEELS THAT THINGS HAVE REACHED A POINT WHERE FURTHER DELAY WILL DIMINISH PROSPECTS OF SUCCESS. HE HAS COME UNDER VERY HEAVY PRESSURE FOR NOT HAVING DEFENDED GERMAN INTERESTS EFFECTIVELY. ALTHOUGH SOME OFFICIALS SEEM WILLING TO MOVE ABOVE 1000 MECU AS THE BASE FIGURE FOR THE SYSTEM, THERE ARE NO INDICATIONS THAT KOHL HIMSELF IS READY TO DO SO. HE MAY TROT OUT AGAIN THE - TO US UNACCEPTABLE --ARGUMENT THAT THE FEDERAL GOVERNMENT HAS ALREADY AGREED TO PAY UP HEAVILY FOR THE MCAS ARRANGEMENT.

6. KOHL WILL PROBABLY REITERATE HIS COMMITMENT TO REANIMATE THE EUROPEAN IDEAL, BY MOVES TOWARDS POLITICAL UNION ONCE THE POST-STUTTGART NEGOTIATIONS ARE OVER. HE WILL NOT BE ABLE TO DEFINE POLITICAL UNION BEYOND PERHAPS REITERATING THAT IT MUST BE MORE THAN A FREE TRADE AREA PLUS POCO. HIS IDEAS ON STEPS TOWARDS THIS HAZY GOAL SEEM STILL TO BE UNFORMED. HE HAS EVIDENTLY TOYED WITH IDEAS FOR A TWO-SPEED EUROPE, BUT I DOUBT THAT THESE HAVE TAKEN FIRM ROOT IN HIS MIND. THE BUDGET ARGUMENT HAS INCREASED DOUBTS IN GERMANY ABOUT HOW STRONGLY THE UK IS COMMITTED TO THE DEVELOPMENT OF EUROPE. THE MORE WE CAN CONVINCE KOHL THAT WE ARE COMMITTED TO HELPING TO DEVELOP THE COMMUNITY ON A REALISTIC BASIS, THE MORE HE MAY BE WILLING TO TAKE ~~OUR~~ OUR VIEWS INTO ACCOUNT AS HIS OWN IDEAS DEVELOP.

7. KOHL AND GENSCHER WILL PROBABLY BE KEEN TO EXCHANGE VIEWS ON THE ACTIVATION OF WEU, NOW THAT THE UK'S ATTITUDE HAS MOVED CLOSER TO THEIRS. ALTHOUGH KOHL IS WONT TO SPEAK OF STRENGTHENING THE EUROPEAN PILLAR IN THE ALLIANCE, HIS GOVERNMENT'S DIFFICULTIES IN MAINTAINING ITS PRESENT DEFENCE CAPACITY MUST MAKE HIM REALISE THAT THE MOST THAT MAY BE POSSIBLE IN THE NEAR TERM IS BETTER COORDINATION OF EUROPEAN POSITIONS ON DEFENCE POLICY SUBJECTS. WHILE I HAVE NO EVIDENCE THAT MUCH PROGRESS HAS BEEN MADE IN THE FRANCO-GERMAN DEFENCE POLICY CONSULTATIONS, WE HAVE AN INTEREST IN KNOWING WHAT HAS PASSED AND I SUGGEST THAT MINISTERS SHOULD ASK ABOUT THIS.

8. IN THE WIDER WORLD, THE GERMANS REGRET THAT THE RUSSIANS HAVE BOXED THEMSELVES INTO A CORNER IN EAST/WEST RELATIONS, BUT ARE NOT AT PRESENT CALLING FOR WESTERN CONCESSIONS TO HELP THEM OUT OF IT. WHILE REALISING THAT NUCLEAR ARMS CONTROL TALKS ARE UNLIKELY TO RESUME THIS YEAR, THEY ARE CONCERNED THAT THE WEST SHOULD ENSURE THAT THE DIALOGUE ON OTHER ARMS CONTROL SUBJECTS IS KEPT GOING. GENSCHER IS VISITING MOSCOW ON 20 MAY. THE GERMANS ARE CONTENT WITH THE STATE OF THEIR RELATIONS WITH THE AMERICANS: THEY ARE WELL AWARE OF THE PRESENT AND POTENTIAL AREAS OF TRANSATLANTIC DISAGREEMENT (DEFENCE EXPENDITURE, STRATEGIC DEFENCE, OUT OF AREA POLICY), BUT THEY BELIEVE THAT KOHL'S VISIT TO WASHINGTON LAST MONTH FURTHER IMPROVED THE ATMOSPHERE, AND THEY ARE ENCOURAGED THAT THE PRESIDENT HAS BEGUN TO MAKE STATEMENTS ABOUT THE RUSSIANS WHICH THEY CAN SUBSCRIBE TO. THEY ARE PLEASED AT THE HIGH LEVEL OF ACTIVITY AT PRESENT IN INNER-GERMAN RELATIONS, WITHOUT ILLUSIONS THAT THE THAW WILL LAST.

9. THE GERMAN PRESS HAS COMMENTED FAVOURABLY ON BRITISH HANDLING OF THE CRISIS WITH LIBYA. GENSCHER WOULD PROBABLY HAVE POSTPONED HIS VISIT TO TRIPOLI EVEN WITHOUT REPRESENTATIONS, BUT HE HAS SOMETIMES SEEMED RATHER UNCRITICAL OF THE QADAFI REGIME, AND A FIRST HAND ACCOUNT OF THE CRISIS FROM US AT CHEQUERS MIGHT STIFFEN THE FEDERAL GOVERNMENT'S ATTITUDE TO LIBYA IN THE FUTURE.

10. KOHL AND HIS GOVERNMENT ARE VERY KEEN THAT THE MUNICH ENVIRONMENT CONFERENCE SHOULD BE A SUCCESS. KOHL WROTE ON 13 APRIL TO THE COMMISSION ABOUT THE NEED FOR STRICTER STANDARDS ON LEAD IN PETROL. HE CAN BE EXPECTED TO SEEK THE PM'S SUPPORT FOR HIS AIM TO REACH INTERNATIONAL AGREEMENT FOR MUCH LOWER EMISSION LEVELS FOR ATMOSPHERIC AND OTHER POLLUTANTS FROM INDUSTRIAL PLANT AND VEHICLES, OR FAILING THAT HER UNDERSTANDING FOR HIS POLITICAL NEED TO MOVE AT THE NATIONAL LEVEL, IF NECESSARY, AHEAD OF THE COMMUNITY.

FCO PLEASE PASS SAVING

BONN WILL PASS TO BMG BERLIN

TAYLOR
STANDARD
WED
SOVIET DEPT
NENAD
EED
NAD

3.

CONFIDENTIAL

CONFIDENTIAL

cc PC



Foreign and Commonwealth Office

London SW1A 2AH

1 May, 1984

AL 1/5
p.a.

Dear David,

Anglo/German Bilateral

In your letter of 24 April you referred to the Prime Minister's concern that there might be demonstrations outside the Examination Schools when the Adenauer Lecture is delivered by Chancellor Kohl.

We have discussed this with the Metropolitan Police Special Branch and with Thames Valley Police. We are advised that they do not at present expect demonstrations organised on a large scale, and are confident that they will be able to control the situation should any unexpected demonstration take place.

*Yours
R B Bone*

(R B Bone)
Private Secretary

David Barclay Esq
10 Downing Street

CONFIDENTIAL

Postage and Revenue stamps



Germany Chancellor
Konk's visits

1984



Duty Clerk

LIST OF GUESTS ATTENDING THE LUNCHEON TO BE GIVEN BY THE PRIME MINISTER
IN HONOUR OF HIS EXCELLENCY DR. HELMUT KOHL, CHANCELLOR OF THE
FEDERAL REPUBLIC OF GERMANY ON WEDNESDAY, 2 MAY 1984 AT CHEQUERS
AT 12.45 PM FOR 1.15 PM

The Prime Minister

His Excellency Dr. Helmut Kohl

His Excellency Herr Hans-Dietrich Genscher Federal Minister of
Foreign Affairs

His Excellency Dr. Gerhard Stoltenberg Federal Minister of Finance

His Excellency Dr. Manfred Wörner Federal Minister of Defence

His Excellency Dr. Dieter von Würzen State Secretary, Federal
Ministry of Economics

His Excellency the German Ambassador

Herr Peter Boenisch Chief Government Spokesman

Dr. Immo Stabreit AUS Federal Chancellery

Rt. Hon. Sir Geoffrey Howe, MP

Rt. Hon. Nigel Lawson, MP

Rt. Hon. Michael Heseltine, MP

Sir Robert Armstrong

Sir Anthony Rawlinson PUS, Department of Trade
and Industry

Sir Jock Taylor HM Ambassador, Bonn

Sir Julian Bullard Foreign and Commonwealth
Office

Mr. Robin Butler

DRAFT SEATING PLAN FOR LUNCH ON WEDNESDAY, 2 MAY 1984

Sir Julian Bullard

Sir Jock Taylor

Herr Peter Boenisch

HE Dr. Dieter von Würzen *

Sir Anthony Rawlinson

Rt. Hon. Nigel Lawson

HE Dr. Manfred Wörner

HE Dr. Helmut Kohl *

Rt. Hon. Sir Geoffrey Howe

PRIME MINISTER *

* HE Herr Hans-Dietrich Genscher

HE Dr. Gerhard Stoltenberg*

Rt. Hon. Michael Heseltine

Sir Robert Armstrong

HE The German Ambassador

Dr. Immo Stabreit

Mr. Robin Butler

* Interpreters

ENTRANCE

SEPARATE BUFFET LUNCHEON AT NORTH LODGING, CHEQUERS

Private Secretaries

Dr. Walter Neuer	(Chancellor)
Frau Anfried Baier-Fuchs	(Personal Assistant, Federal Chancellery)
Herr Wolfgang Ischinger	(Private Secretary, Herr Genscher)
Frau Wolke	(German Embassy, typist)
Mr. Roger Bone <i>Len Appleyard</i>	(Foreign Secretary)
Mr. Peretz	(Chancellor of the Exchequer)
Mr. Mottram	(Defence Secretary)
Mr. John Coles	(No. 10)
Mr. Bernard Ingham	(No. 10)
plus 5 Interpreters	
Herr Weber	(Chancellor)
Mr. Lederer	(Prime Minister)
Frau Dorothee Kaltenbach	(Herr Genscher)
Mrs. Bloom	(Dr. Stoltenberg)
Frau Ingrid Scheben	(Dr. von Würzen)



J.C.P.C.

July 1984.

Pl. substitute the Foreign and Commonwealth Office
 new draft at X by the
 earlier draft contained in
 brief No. 10 (in all copies)
 - and let us have 6

London SW1A 2AH

1 May, 1984

John [unclear],
 gives. A.F.C. 1/5.

Anglo/German Summit: Report on Bilateral Relations

At the tenth Anglo/German Summit in Bonn in November 1981 the Prime Minister and Chancellor Schmidt issued a joint press statement on bilateral relations between the two countries. In the last sentence they instructed officials to keep the relationship under review and to make a progress report at a future Summit meeting.

/ This work has now been done. I enclose a copy of the
 / British report, recently completed after lengthy clearance
 within Whitehall; and also a copy of the German report, which
 is encouragingly similar.

/ X The Germans would like the 15th Summit this week to take
 note of this work in another joint press statement which would
 commend what is being done and indicate priorities for the
 future. I enclose a draft worked out with the Germans. It is
 on the long side, as usual with anything involving the Germans,
 but the Foreign Secretary considers it acceptable. In paragraph 8
 it says that further efforts within the existing framework are
 required, rather than new joint arrangements. In paragraph 7
 it identifies the following priorities:

- youth exchanges;
- the study of the German language in Britain;
- contacts between British servicemen and their families and their German environment;
- and better diffusion of news and information.

Since this draft was completed, the Germans have told us that they would like to add a reference to European Union. This might create difficulties, but Sir G Howe would see no objection to a suitable reference to the Solemn Declaration adopted by the Ten Heads of Government in Stuttgart in June last year. A reference has now been included at the end of paragraph 2.

[Handwritten signature]

(R B Bone)
Private Secretary

DRAFT STATEMENT ON ANGLO-GERMAN BILATERAL RELATIONS

1. At this, the 15th in the series of consultations between the Heads of Government, the Chancellor of the Federal Republic of Germany and the Prime Minister of the United Kingdom of Great Britain and Northern Ireland reviewed the state of relations between their two countries. They took into account a report on the progress of the relationship prepared by officials, which the Prime Minister and Chancellor Schmidt had called for at the conclusion of the 10th bilateral summit in Bonn on 18 November 1981.

2. The Heads of Government expressed great satisfaction that links between the two governments and peoples had continued to develop very successfully. They agreed that these links were a testimony to the common values of the British and German peoples; their shared belief in democracy, freedom, human rights and the dignity of the individual; and their determination to defend these values together with their other partners and allies. The close collaboration between Britain and the Federal Republic in the Western Alliance, the European Community and in European Political Cooperation bears eloquent witness to the many shared interests of the two

countries. The Heads of Government affirmed their profound belief in the idea of a developing Community of European nations able increasingly to play a role in the world commensurate with the combined economic weight and political experience of its member states. They reaffirmed the objectives in the Solemn Declaration on European Union.

3. The Heads of Government noted the vital contribution made by their two countries to the common defence of western freedoms within the North Atlantic Alliance. The contribution of British forces in Germany in this context is greatly valued by the Federal Government. It will be maintained. The Heads of Government reaffirmed the importance of the United Kingdom's rights and responsibilities relating to Berlin and to Germany as a whole. The Prime Minister reaffirmed the conviction of successive British governments that real and permanent stability in Europe will be difficult to achieve so long as the German nation is divided against its will.

4. The Heads of Government noted with particular satisfaction the very close consultation and alignment of policies which takes place between the two countries in bilateral and multilateral settings, particularly within

the framework of the European political cooperation. This has been sustained by largely converging interests and by a common fundamental outlook on foreign and security affairs, East-West relations, disarmament and arms control as well as economic and social policy.

5. The Heads of Government found that relations between the two Administrations were highly satisfactory, forming an active and varied partnership, conducted in a business-like manner, marked by openness and mutual trust. There are close relations, too, between the two parliaments, and between political parties of similar persuasions.

6. The Heads of Government agreed that commercial ties formed an integral element of the relationship. They noted with satisfaction the expansion of bilateral trade, a process that had accelerated dramatically since Britain's entry into the Community, and in the wake of which has come a similar increase in reciprocal investment with beneficial consequences for employment in both countries. These developments have been greatly promoted by the contribution of the Chambers of Commerce, and have without doubt been assisted by the close harmony

in the economic and financial policies pursued by both governments.

7. The Heads of Government confirmed that they attach particular importance to the work of unofficial and semi-official institutions which supplement the work of Governments in encouraging contact and increasing mutual understanding. They noted the particularly valuable work of the Anglo-German Society which organises the Koenigswinter Conferences, the Anglo-German Foundation for the Study of Industrial Society and the various organisations in the two countries concerned with town twinning and youth exchanges. They saw a continuing and important role for these and other organisations especially in bringing together the younger generation in the two countries. They agreed also that continued mutual understanding would be assisted by imaginative efforts to maintain and develop the teaching of each other's language, especially the study of German in British schools and other places of learning; and by continued efforts to exploit the potential for developing contacts through the presence of British servicemen and their families in Germany.

8. The Heads of Government noted that the increasing mutual involvement of their two countries makes it desirable to increase correspondingly the British and German peoples' knowledge of, and involvement in, each other's culture and activities. In particular, it is vitally important that the younger generation should be equipped for the Europe of tomorrow. The Heads of Government agreed that future efforts should focus on this requirement. There should be regular meetings of senior officials in the Foreign Offices responsible for cultural affairs to review progress and stimulate activity where it is needed. Attention should also be focused on the better and wider diffusion of news and information.

9. The Prime Minister and the Federal Chancellor are convinced that the furthering and strengthening of Anglo-German relations in line with the reports' suggestions and proposals can be best attained within the existing framework. They expressed confidence that the effective partnership between the two countries and peoples would be developed further both in the promotion of common interests and to shape Europe to meet the challenge of the last quarter of the 20th century. They

instructed their officials to be guided by these objectives.

Tête-à-tête

EC Budget

Want settlement - before European elections if possible. But can't move on figure until sure a settlement obtainable.

Future of EC

Share your wish to develop Community. Working on paper on future - will let you have it in time for our discussions in autumn.

New Commission

A German candidate?
If not, Davignon.

European Elections

Like-minded parties should cooperate after elections. Personal representatives to meet soon on confidential basis to discuss what can be done?

/Defence Cooperation

Defence Cooperation

Interested in more active role for WEU. But cautious - no weakening of NATO.

Tornado for Turkey

Both UK and Germany need export orders. Financing terms will be crucial for Turkey. Hope your government will support industry's efforts as we will.

OECD Secretary-General

Hope you will support Couzens.

Meeting with Foreign Ministers

East/West Relations

Inner German Relations

Arms Control

Don't seek unnecessary activity while Russian refuse to negotiate.

Law of Sea

Don't sign Convention in present form.
But do sign Provisional Understanding (to prevent overlapping).

Falklands/Argentina

Support our position (Genscher has just visited Argentina; Kohl goes there in July).

Bilateral Relations

Agree issue statement today?

Discussion over Lunch

International Economy

Economic Summit

Terrorism

ROOM ALLOCATION

Prime Minister/Federal German Chancellor : Long Gallery

Foreign Ministers : Hawtrey Room

Chancellor of the Exchequer/Federal Minister of Finance: White Parlour

Ministers of Defence : Study

Mr. Lamont/State Secretary : The Alcove, Great Parlour

Foreign Secretary's report
at plenary in Kohl
talks.

Pl. file

POINTS FOR PLENARY

European Community

1. Agreed on need to reach an early satisfactory agreement on budget.
2. Foreign Secretary ^{said} ~~and~~ Commission might have role to get process moving again.
3. Herr Genscher noted that German position not changed.
4. Agreed on importance of settling budget problem and getting on with discussion of new policies.
5. Foreign Secretary important to liberalise road transport and progress on air fares and border control.
6. Herr Genscher special German problems over road transport: FRG the transit country of Europe.
7. Herr Genscher new German ideas on non-life insurance covering business risks.
8. Common technology research: agreed need preserve strong role for private industry.

East/West

1. Discussion killer satellite: agreed US need to redress balance on research presently favouring Soviet Union.
2. But not overlook arms control component.
3. Agreed western position on arms control strong
4. Not on defensive in MBRF, CDE, INF and START.

5. Herr Genscher noted Warsaw Pact states making ^{own} position clear to Soviet Union on arms control: ~~So~~ Western statements had made impact.
6. On space based antimissile defence system US and Soviet Union probably equal progress: again need stress arms control component.
7. Main point keep Europe and USA together on this.
8. Agreed NATO Foreign Ministers meeting Washington end May important occasion to strengthen Alliance unity
9. Herr Genscher said need firm declaration on principles: provide opening for resuming dialogue.
10. Not pay price to Russians for returning to INF/START talks.

Economic Summit

1. Agreed need use Foreign Ministers meeting profitably for political discussion.
2. Political Directors meeting 18 May define topics.
3. Her* Genscher need look forward rather than back (Normandy).

Terrorism

1. Also be discussed at Summit.
2. Review of Vienna Convention: new problem State sponsored terrorism. Must be controlled
3. Agreed need not to damage position of Embassies and people (e.g. Germans) in Communist countries. Mustn't damage +
Embassies

Southern Africa

1. Botha visit.
2. Progress being made on Namibia.
3. Still problem how deal Saviobi
4. Foreign Secretary mentioned South Africa/Mozambique agreement.
(Machel visit).

Cyprus *shared*

1. Situation causing concern.
2. Need keep in touch: Security Council discussion today.
3. Herr Genscher said key lies in Turkish internal situation.

Law of the Sea Convention

1. Foreign Secretary importance not sign until Convention in satisfactory form.
2. Agreed should sign provisional agreement on deep sea mining
3. Herr Genscher in minority in Germany favouring signing Convention . No final decision made.

Argentina

1. Herr Genscher reported on visit: noted Argentines not put pressure on him.
2. Foreign Secretary noted negotiations going ahead: need keep sovereignty issue separate.
- 3 *Swiss helpful: discussions confidential*

POINTS FOR PLENARY

Chancellor's report at
Kohl Summit

1. Current Economic Developments

No difference for file

- (a) Reviewed progress of UK and German economies.
Both generally encouraging:-

- 3-3½% growth in 1984
- continuing low inflation
- budgetary positions under tight control

but continuing risks:

- international prospects (debt, interest rates)
- ability of France and other EC countries to follow UK and German lead
- specific domestic problems (labour disputes - metalworkers (Germany) and miners (UK)).

35 low week

Therefore very important to maintain firm
counter-inflationary policies.

(b) International Prospects

Still generally encouraging.

Main worry = risk of higher interest rates.

US policy crucial [exchange of views].

UK and German views close together.

[N.B. Dr. Stoltenberg expressed concern re. steel - especially possible pressures for renewal of subsidies in France. Agree raise at informal Ecofin.]

2. London Economic Summit

Chancellor outlined areas for possible discussion:-

/ International Debt -

International Debt - examine new ideas (e.g. more direct private investment).

Japan - try to build on US pressure to open up capital markets.

US Deficit - possibly get US to make more forthcoming statement (recent signs encouraging).

Trade, Protectionism,

etc - subject to OECD discussion, tackle mixed credits under this chapter.

3. International Debt Problems

Exchange of views. Agree must maintain adjustment process: and important for banks to maintain involvement.

But no global (Government) schemes. Also discussed briefly Argentina debt problem (continuing difficulties).

4. Community Affairs

(a) 1984 overspending:

- Chancellor expressed concern at request for more funds.

UK position is that savings must be found.

Therefore hope Germany will join UK in resisting loan request.

- Dr. Stoltenberg said that no Cabinet decision had been taken. But Commission's figures and legality needed closer scrutiny; and he personally would recommend against meeting loan request.

/ N.B. Domestic political considerations on both sides:-

- Germany: effects on farmers and CAP.

- UK: Parliament ^{would}/not agree to any new finance while budget and refund issues unresolved. /

Both agree that difficulties arise if funds run out in October/November. Desirable to discuss in advance.

(b) Budgetary Imbalances:

Discussion of current state of negotiation.

Agreement reached on:-

(i) Flat rate 1000 mecu for UK for 1984;

(ii) System starting in 1985.

Key outstanding issue is reference figure for 1985.

Chancellor explained background to figure of 1250 mecu and emphasised limited UK room for further manoeuvre.

Dr. Stoltenberg explained that 1250 not acceptable to other members.

But both share wish to reach agreement during French Presidency if possible.

(c) Budget Discipline:

(c) Budget Discipline:

Agreed that important for this subject to be taken forward by ECOFIN and Finance Ministers, as already proposed.

- Chancellor expressed wish to tighten up proposed schemes so that they have binding force and suggested that forthcoming informal ECOFIN should remit subject to senior Finance Ministry officials;.
- Dr. Stoltenberg supported detailed discussions but thought that bilateral or trilateral (with French) might be useful first.

Both reasserted desirability of strong control of budget discipline generally by ECOFIN.

REPORT

FROM THE FEDERAL REPUBLIC OF GERMANY

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EUROPE HAS TO WORK TOWARDS UNITY, SAYS KOHL

Today Europe and the European Community are faced by the question of how the process of unification can best be advanced during the coming years, Federal Chancellor Helmut Kohl said when he gave the 1984 Konrad Adenauer memorial lecture in Oxford on May 2 (6pm). The lecture was organised jointly by St Antony's College and the Konrad Adenauer Foundation. The following is the text of Dr Kohl's speech:

It gives me great pleasure to be able to speak to you today in Oxford, with its great and noble tradition, and particularly here in St Antony's College, where past and present are blended so well. There are close links between St Antony's College and the Federal Republic of Germany.

As Chancellor of the Federal Republic of Germany I welcome this opportunity to outline some of the main aspects of my Government's foreign policy to citizens of a country whose democratic traditions and virtues have long earned it particular respect among the German people.

As chairman of the Christian Democratic Union of Germany, I find it gratifying that my address constitutes this year's Konrad Adenauer lecture. As a member of the board of trustees of the Konrad Adenauer foundation, I am grateful that our relationship with your college has evolved from contacts established by the foundation.

For all these reasons it is natural that my remarks today on foreign policy should relate to the policy of Konrad Adenauer, the first Chancellor of the Federal Republic of Germany and the first chairman of my party, a man to whose legacy I am firmly committed.

Adenauer's domestic and foreign policy can only be understood in the light of the personal experiences of a man who had lived through the disaster of World War One and the rise and ignominious collapse of the

first German democracy, who, after the Second World War, was confronted with the repercussions of the barbaric Nazi dictatorship and the aftermath of the war.

Herculean task

At home, the Germans had to develop a liberal society and rebuild their country from the ashes. Internationally, Germany had to be led out of isolation and reinstated as a respected and equal member of the world community. The prevailing difficulties made this seem a herculean task; the country was divided and torn by social upheaval.

More than 10 million expellees and refugees had to be integrated, 18 million Germans found themselves under the Communist heel. The fate of Berlin, the former eastern provinces and the Saarland was in the balance. The system of Allied control agreed at Potsdam did not come to an end until 1955.

Internationally, the Federal Republic of Germany was subjected to a mixture of threats and enticements by the Soviet Union. Europe was fragmented. The policies of France and the United Kingdom towards Germany were not free of uncertainties. A revival of United States isolationism was not entirely out of the question.

Against this background, it was clear to Adenauer that domestic and foreign policy could not be separated but had to remain closely intertwined, a principle which up to the present day has remained indispensable in shaping German policy.

Konrad Adenauer laid the foundations of modern German politics. He played a decisive part in developing the Christian Democratic Union of Germany and its Bavarian sister-party, the Christian Social Union, into the largest centrist popular bloc in Germany alongside the old-established Social Democrats. The CDU and CSU today form a sturdy pillar and a firm guarantee of German democracy.

By introducing the social market economy, Konrad Adenauer and Ludwig Erhard created the conditions for the development of prosperity and an exemplary system of social justice. The history of the Federal Republic of

Germany is marked by the absence of serious social strife.

Adenauer knew, however, that only within a community of like-minded states and peoples could the stability of German democracy, peace, freedom and social justice be permanently ensured in the face of totalitarian Communism.

His decision to opt for a free Europe, for an Alliance with the US and for Nato amounted to more than merely a wish to safeguard peace. The supreme objective for him, as for us today, was to preserve freedom. It was with this in mind that I said in my first Government policy statement on Oct. 13, 1982:

"For us Germans the Alliance is the central element of our *raison d'etat*. It embraces the basic values of our liberal constitution to which we are committed; the economic and social system under which we live; and the security that we need."

The concept of Europe, the future of free Europe, therefore means more to us Germans than the demand for a flourishing free-trade zone or Economic Community.

Momentous act

Adenauer's decision to integrate free Germany unreservedly and irrevocably into the free world of democratic nations, was a momentous act unprecedented in German history.

What invariably mattered in the European power system were the strategic corridors which crossed in the centre of the Continent, hence the struggle by all powers to wield influence in central Europe.

For Germans the Europeanisation of the heart of our Continent was always a source of both temptation and doom: temptation, because the attainment of nationhood would necessitate a rebellion against the prevailing power system; and doom, because central Europe could not be in full control of its own destiny and because any revolt would threaten the national existence and would herald partition and thus disaster.

Adenauer was concerned that renewed German nationalism, short-sighted pacifism and neutralism might cause distrust of Germany to break out anew. His policy of integration into the West sought to counteract this danger and to safeguard democracy in Germany. The relevance of that decision to our times is illustrated by those developments in Europe which can be grouped under the broad heading of "anti-Americanism."

Historical experience shows that these tendencies in Germany must be taken seriously. I need not spell out the possible repercussions of such a development on the European order and the structure of our Western Alliance. Precisely this danger makes the present Federal Government regard the decision in favour of European integration as irreversible.

Ever-closer union

Today Europe and the European Community are faced by the question of how the process of European unification can best be advanced during the coming years. It is of prime importance that this task be approached from the perspective formulated in the preamble to the EEC Treaty, in which the founders of the European Community announced their determination to lay the foundations of an ever-closer union in peace and freedom among the peoples of Europe.

This wording is unambiguous. It says clearly that this Community, to put it graphically, is more than just a bank into which members deposit a sum of money in the firm expectation that they will subsequently be able to withdraw a larger sum. It must be made clear that all member-states of the Community consider themselves permanently committed to the goal of European unification and that they regard the process which has brought us this far along the road as irreversible.

The outcome of the Brussels summit meeting is reason enough to recall these guidelines. The meeting of the European Council on March 19 and 20 was a bitter disappointment for the European public at large. I share this disappointment, but at the same time we must not overlook the fact that, notwithstanding the result in Brussels, we had managed by the first months of this year to complete most of the tasks we set ourselves at the

Stuttgart summit in the summer of 1983.

At the European Council meeting in Brussels, the Federal Government did all in its power to try to make the summit meeting a success. As had been the case with successive Federal Governments during the past decades, it was prominent among those member-states which pressed emphatically and convincingly for an ever-closer union of the free peoples of Europe.

For that reason, every Federal Chancellor since Konrad Adenauer has urged that national demands, justified though they may be, should be subordinated to the survival and the development of the Community. I take the same view.

The Federal Government will keep pursuing the path towards Europe. Not for one moment will it forget what is at stake in our Continent. It is still a question of whether Europe is capable, given the complexities of the international situation, given the military threat and economic and ecological problems, to bring the interests of its member-states to a common denominator and to unite.

There is no doubt in my mind that this unity will eventually require a tighter political organisation. Europe must learn to speak with one voice, in its relations with the United States as elsewhere. The question of the next months and years will be this: is every member of the Community prepared to regard its membership as irrevocable, even during the hardest of times? We most certainly are.

Are all members prepared to work for the political union of Europe without ifs and buts? The Federal Republic of Germany is. I hope that the answer our partners give to these two crucial questions will be the same as ours.

We shall not only have to talk about economic and political matters in the Community, but also increasingly about problems of security policy. The introduction of security as a component of European unification policy can of course be no alternative to the North Atlantic Alliance.

Needs of Nato

The Alliance is indispensable to the free peoples of Europe for as long as

they are confronted by an imperialist superpower on European soil, but it is essential that Europeans should increase their weight and influence in Nato, that they should assert their own specific interests more effectively than in the past.

The Atlantic Alliance must be adapted to the conditions and demands of the future and the European pillar of the transatlantic partnership strengthened. At the same time it is important to the Federal Government and the vast majority of population of the Federal Republic of Germany that Nato - and particularly the close friendship and partnership with the United States - should remain the cornerstone of German security policy and the guarantor of our freedom.

Only a strong and united alliance can safeguard peace in freedom. The alliance guarantees our independence. It serves the cause of peace in Europe and throughout the world and remains the basis of genuine detente.

The alliance, but also an improved East-West relationship, are indispensable conditions for progress in arms control and disarmament. The primary aim of the Atlantic Alliance was and is to prevent war, and so to preserve peace and freedom. The surest and hitherto sole guarantee against war is deterrence, including nuclear deterrence, for the Warsaw Pact possesses conventional superiority to this day.

The Soviet nuclear build-up in the seventies forced the Western Alliance to decide on appropriate counter-measures. By making a negotiated solution impossible, the Soviet Union regrettably spurned the Nato offer of an agreement on intermediate-range nuclear disarmament which would have obviated Western INF modernisation. In so doing they assumed a grave burden of responsibility.

The Alliance withstood the internal and external pressures to which it was exposed during the modernisation debate. It passed its acid test, one of great political and psychological importance, and emerged strengthened from the INF debate.

The West is prepared to return to the bargaining tables at any time to continue discussions on nuclear arms control and disarmament. The paramount objectives of my Government's security policy, like that of all

previous Federal Governments, have been and will remain the prevention of a military confrontation in Europe, an end to the arms race on European soil and in the world and guaranteed security at a low level of armaments.

As early as 1954, in the Paris Agreements, the Federal Government under the Chancellorship of Adenauer renounced the right to manufacture weapons of mass destruction, in particular atomic weapons, but also chemical and biological weapons. We stand by this decision.

Wherever possible, the Federal Republic of Germany has supported arms control and disarmament efforts. Progress in arms control presupposes greater mutual trust between East and West. The Federal Government will help in any way it can to restore the broad base of the East-West dialogue.

German Ostpolitik had its roots in Adenauer's early efforts to force a business-like and constructive relationship between the Federal Republic of Germany and the Soviet Union. The establishment of diplomatic relations between Bonn and Moscow in 1955, following Adenauer's visit to the Soviet Union, and the conclusion of the Treaty of Moscow 15 years later, are milestones in the post-war development of German-Soviet relations.

My Government seeks constructive and stable relations with our neighbours in Central and Eastern Europe, including the Soviet Union. The Soviet Union is a difficult partner. Since the end of the Second World War, its policy has violated German and European interests. Nevertheless, any policy aimed at preserving and stabilising peace in Europe requires that dialogue with the Soviet Union, the world power which is our close neighbour on European soil, be continued and that the attempt be made to improve relations with Moscow. This is especially necessary in difficult times.

We observe the agreements we have concluded, we act in accordance with the UN Charter and the Helsinki Final Act. Aware of the rich common heritage of our continent and conscious of our European responsibility, we shall not relax our efforts to preserve the advances made in relations with our neighbours in Eastern and South-Eastern Europe and to go on developing them.

Division of Germany

The Federal Government's pursuit of security and peace serves a high political purpose, namely to overcome the division of Germany and Europe. Together with the free West and within the European framework, we have the duty and the will to shape our future and to settle our national question as an act of peace.

We are aware of the European dimension of the German partition, which we shall be able to overcome only in the long term, with the support of our neighbours in Europe, and by peaceful means. We categorically reject war and the threat or use of force as a political instrument.

We realise how great a responsibility devolves upon our country in particular as a stabilising factor at the heart of Europe. One thing is certain: the Germans will never again neglect their European responsibility.

Relations with GDR

Our responsibility for Europe is also reflected - and particularly so - in our relations with the German Democratic Republic. The leadership of the GDR is anxious to reinterpret German history and to assume the inheritance of this revised history. Behind the presentation of German history by the GDR is the idea of a united Socialist-Communist Germany.

The object is to create a sense of national Communist identity as a substitute for the legitimisation of a society whose philosophy and reality have never been sanctioned by the people of the German Democratic Republic in free elections - nor ever would be. The German people therefore expect every Federal Government to work persistently for a state of peace in Europe in which they can recover their unity in free self-determination.

Those who support the idea of unity must approach and seek contact with the people of the GDR. We want to arrive at practical solutions that, too, is a way of meeting our national responsibility.

The more successfully the hardships of German partition can be eased and partition overcome within a stable and peaceful order in Europe, the more firmly will peace be consolidated in Europe. A long road lies ahead

of us before that can come about, but we have no reason to become discouraged. History never speaks a last word, it never creates an irreversible situation. International politics are in a constant state of flux.

Berlin's dual role

Progress in relations between the two German states also affects Berlin. This city has a dual role to play in both Germany and in Europe:

-] It symbolises staunch defence of democracy and human rights be the free peoples of the West; and
-] It is at the same time a barometer of relations between East and West.

France, the United Kingdom and the United States are active in Berlin in their own right. Their presence is a living symbol of our partnership in the Atlantic Community. The three powers are defending the "principles of democracy, individual liberty and the rule of law," as the preamble to the North Atlantic Treaty puts it.

We Germans owe a great debt of thanks to the three Allied Powers in Berlin. We remember with gratitude the words you spoke, Mrs Thatcher, on your visit to Berlin on Oct. 29, 1982:

"Their (the British forces') presence demonstrates the continuing commitment of Britain, with our French and American allies, to uphold the freedom of your city. They remain here because there is a vital task for them to do, and because you want them to do it we shall work to ensure that these cornerstones of Western freedom continue to guard our way of life."

Worldwide interests

I have addressed some of the elements of German policy, the basic principles and aims of my Government. As a leading industrial nation, the Federal Republic of Germany has diverse worldwide interests. Our eyes are not solely trained on Europe, the United States and the Middle East. Our relations with Africa, Asia and Latin America, with the entire Third World,

play a major part in our thinking and action in the field of foreign affairs.

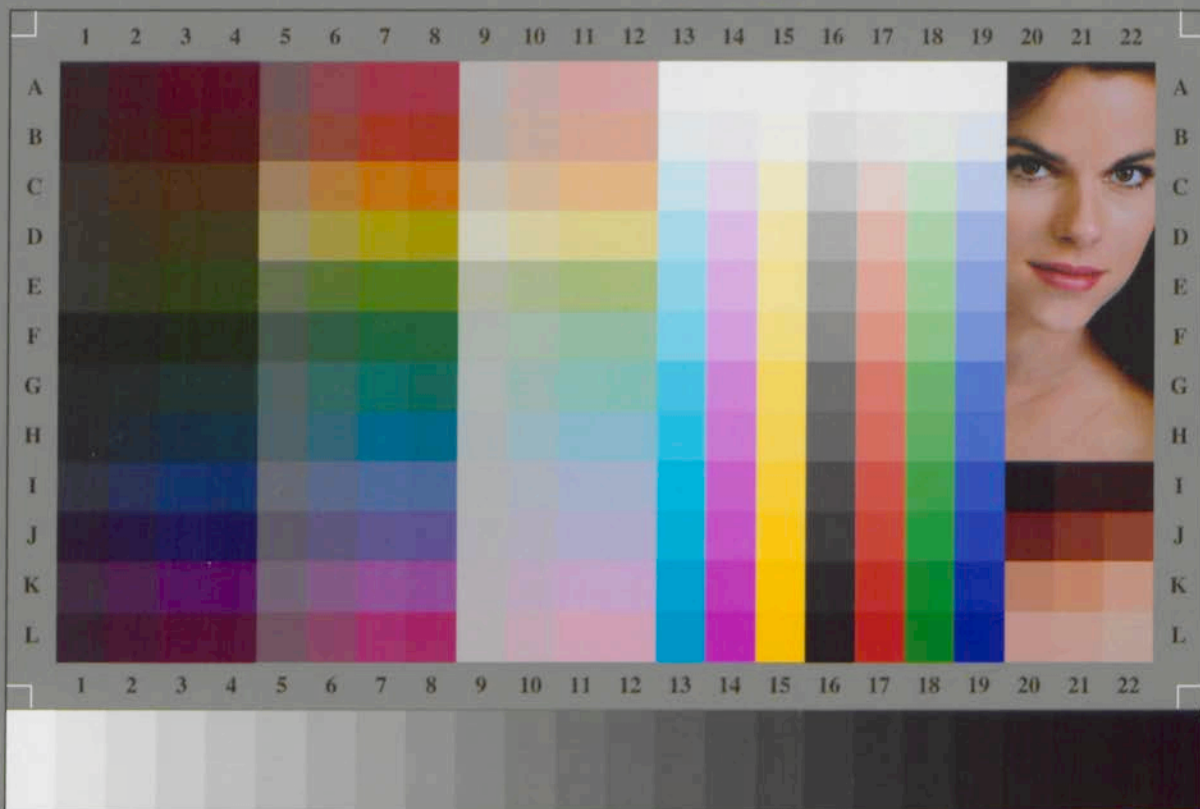
Co-operation with the Third World is an important part of our policy for worldwide peace, it is based on respect for the independence and self-determination of these countries. We must all contribute to the peaceful settlement of the conflicts in Africa, Asia and Latin America. We must help to overcome poverty, hunger, despair and intolerable social divisions. All states, whatever their social order, are subject to the same responsibility to provide assistance in a spirit of solidarity.

Since the Federal Republic of Germany was founded, our political activity has focused on particular areas whose importance derives from historical experience and the geographical position of our country. These are, of course, the European and Atlantic areas. The national question, European unification and the security of Europe will continue to receive the special attention of every future Federal Government.

The conviction of Konrad Adenauer, the first Chancellor of the Federal Republic of Germany, his legacy to us, that only in close concert with the democratic nations of the West could Germany hope to solve its national problems one day by peaceful means, has become the guiding principle of the policies of all Federal Governments. We shall continue to pursue this course. By so doing, we want to render our contribution to the peace and freedom of the entire Western world.



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