


Confidential Filings

Visit of Count Hamborff to London.  
~~Prime Minister did not see him.~~

Germany

MAY 1979

Referred to	Date	Referred to	Date	Referred to	Date	Referred to	Date
17.5.79 30.1.90						S 3004	
 <b>CLOSED</b>  PREM 19/3006							

CONFIDENTIAL



File PM  
cepc

10 DOWNING STREET

LONDON SW1A 2AA

*From the Private Secretary*

SUBJECT CCMASBCL

30 January 1990

PRIME MINISTER'S MEETING WITH GRAF LAMSDORFF

The Prime Minister had a friendly, private talk with Graf Lamsdorff this morning, lasting some three quarters of an hour.

The Prime Minister said that what worried her most about the present situation was that no-one was sitting down and looking systematically at the consequences for NATO of the rapid developments in the Soviet Union and Eastern Europe and of the prospect of German unification. She was seriously worried that, without this, there was a risk that NATO would break up. Her aim was to secure a transition period before German unification was realised, which would last long enough to enable the very difficult issues concerning NATO, the European Community and Four-Power rights to be sorted out.

Graf Lamsdorff said that there would be a gradual coming together of the two Germanies. The FRG wanted this to take place in co-operation with its European partners. He also very much agreed with the Prime Minister's comment, in her Wall Street Journal interview, that matters must be handled in a way which did not undermine Mr. Gorbachev. He also agreed with the Prime Minister's thought that we needed to discuss the implications and consequences of German unification. He would like to see the United Kingdom playing a very full part in this. The Federal Republic wanted to stay in NATO and keep US troops. It was true that it was difficult to see at present what the relationship between a unified Germany and NATO would be. But it would undoubtedly be easier if NATO's military importance were to decrease and its political importance to increase. The Prime Minister asked whether Graf Lamsdorff's willingness to see US forces remain in Germany extended also to nuclear weapons. This met with a certain amount of obfuscation: but in essence the answer was that he was opposed to LANCE modernisation but did not rule out the presence of nuclear-armed aircraft.

Graf Lamsdorff said he was worried about the volatile state of German public opinion and had shared the Prime Minister's distaste for the way in which the German public had fawned over Mr. Gorbachev during his visit to the FRG. He agreed there was a risk that a united Germany would be a socialist Germany and described Herr Lafontaine as dangerous.

CONFIDENTIAL

The Prime Minister and Graf Lambsdorff had a lively discussion about their respective views on the European Parliament and a European Central Bank. Graf Lambsdorff said that it was ironic that the Prime Minister's view on the need for democratic control of a European central bank was shared by the German socialists, whereas the FDP and CDU wanted to see it free from any political influence. He confirmed his view that the Deutschmark was currently overvalued and that an EMS realignment was necessary.

I am copying this letter to John Gieve (H.M. Treasury), Simon Webb (Ministry of Defence) and Sonia Phippard (Cabinet Office).

C. D. POWELL

Richard Gozney, Esq.,  
Foreign and Commonwealth Office.

UNCLASSIFIED

061770  
MDADAN 3306

ADVANCE COPY

UNCLASSIFIED  
FM BONN  
TO DESKBY 291600Z FCO  
TELNO 100  
OF 291445Z JANUARY 90

MY TELNO 95

LAMBSDORFF'S MEETING WITH THE PRIME MINISTER

1. THE 'WELT AM SONNTAG' (CONSERVATIVE) OF 28 JANUARY REPORTS THAT AT A LOCAL PARTY MEETING OF THE FDP IN HAMELN ON 27 JANUARY LAMBSDORFF COMMENTED ON ONE ASPECT OF THE PRIME MINISTER'S 'WALL STREET JOURNAL' INTERVIEW OF 25 JANUARY. HE ARGUED THAT IT WAS 'COMPLETELY OUT OF PLACE AND UNJUSTIFIED' TO ACCUSE KOHL AND GENSCHER OF A NATIONALISTIC POLICY.

2. ACCORDING TO STAFF FROM THE CONSULATE GENERAL IN HAMBURG WHO ATTENDED THE MEETING, LAMBSDORFF SAID HE WOULD WISH TO PURSUE THIS POINT AT HIS MEETING WITH THE PRIME MINISTER ON 30 JANUARY.

3. PLEASE AVANCE TO POWELL, NO.10

MALLABY

YYYY

DISTRIBUTION

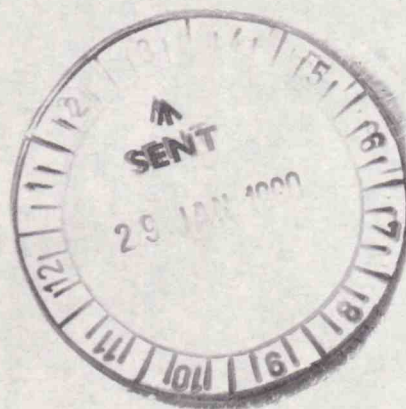
2

ADVANCE 2

MR POWELL, NO 10,

HD/WED

NNNN



CONFIDENTIAL

PRIME MINISTER

MEETING WITH COUNT LAMSDORFF

You are to have a talk tomorrow with Count Lamsdorff, Chairman of the German FDP. You know him well, but have not seen him for some time. He is basically a friend and fellow believer, so you will want to go easy on him! In particular, he is the main guarantor of free market ideas in the FDP, and the main bulwark against a coalition between the FDP and SPD. (You will have seen that the CDU and FDP both did fairly badly in the Saarland election, the FDP only barely clearing the 5 per cent hurdle.)

The main subject will obviously be German reunification. Lamsdorff wants to explain the German views to you. He has been much more alive than other German Ministers to the sensitivities of Germany's allies, and the need to consult. You will wish to explain frankly our misgivings about too early and rapid a move towards reunification (although the likelihood of that has increased with the decision to bring forward the date of the East German elections). Reunification must not upset Europe's stability: the GDR cannot just waltz into the EC: we need to think about a united Germany's relationship to NATO (on which the Germans themselves seem to have no clue): and there are the Four-Power rights, which cannot just be put on one side. Does the FDP share Chancellor Kohl's aim of reunification by January 1995?

He will also want to talk about Economic and Monetary Union on which his views are closer to Poehl than to Genscher. You will want to make sure that he understands that Parliament will not accept Delors Stages 2 and 3, so some other way forward will have to be found.

You will want to question him about the German attitude to defence, and the need to maintain adequate forces including American and UK nuclear weapons in Germany. You should take him to task over recent FDP statements expressing doubts about EFA. That gives entirely the wrong signal.

CONFIDENTIAL

CONFIDENTIAL

- 2 -

Finally, you might ask his views on Oskar Lafontaine, who - following his election victory in Saarland - now looks likely to be the SPD challenger to Chancellor Kohl in November's election.

Some fuller briefing is in the folder.

CDP

C. D. POWELL

29 January 1990

C:\FOREIGN\LAMBSDOR.DAS

CONFIDENTIAL

870

ack  
Ship



Foreign and Commonwealth Office

London SW1A 2AH

CONFIDENTIAL

26 January 1990

Jean Charles,

Count Otto Lambsdorff

Count Lambsdorff is calling on the Prime Minister at 10.15 on 30 January. The Count is Chairman of the FDP (Free Democrats, Mr Genscher's party) and a former Economics Minister. He is in the UK on a COI Category I visit to visit London and Liverpool. Lambsdorff is also calling on Sir Geoffrey Howe, Mr Ridley, Mr Ryder, Mr Tebbitt, Mr Healey and Mr Steel. The Foreign Secretary is giving him dinner.

Still a member of the Bundestag but without Ministerial office, Lambsdorff remains a powerful figure both within the FDP and at Federal level. He is an influential force in the formulation of FDP economic policy, and the Ministry of the Economy has remained in FDP hands since his resignation. Lambsdorff was Federal Minister of the Economy in 1977-84, but resigned following charges of corruption. Although he was eventually found guilty in 1987 of tax evasion in connection with donations to party funds, he was cleared of the corruption charge. His position in FRG politics has since revived and his past no longer attracts FRG media attention. His election as FDP party leader in October 1988 was widely seen as reinforcing the free market philosophy of the FDP. He is likely to remain influential behind the scenes, rather than as a Minister, after this year's election. He has long-standing private links with the UK. He speaks fluent English.

Lambsdorff wants to talk about recent developments in Germany with the Prime Minister. In a recent interview (Frankfurter Allgemeine Zeitung, 25 January) he said he was visiting London to explain the German position on unification to the Prime Minister. It was not exclusively a German question, and the Germans needed to respond to the concerns of their partners to gain approval. Germany needed the support of its European partners, the USA and the USSR. The Prime Minister might like to draw Lambsdorff out on this point and discuss the question of how to reconcile the increasing pressure for unification, especially in the GDR, with the need to take account of existing structures and to maintain stability.

CONFIDENTIAL



CONFIDENTIAL

Lambsdorff would also like to discuss British economic policy and EMU with the Prime Minister. On EMU the next step is for the Commission and the Monetary Committee to present papers at the informal ECOFIN on 31 March. Lambsdorff's views have been closer to Pöhl's than to Genscher's: he was against an early IGC, and in favour of full implementation of Stage One before decisions on further stages. He is on record as saying that Europe is not ready for a European Central Bank. But he may have been influenced by Pöhl's 16 January speech in Paris which, while arguing that it had been premature to convene an IGC at the end of this year, advocated a wholly independent Central Bank, enjoying the monopoly of money creation and pursuing a common monetary policy. On economic matters Lambsdorff is committed to the market economy and opposed to protectionism. He is also a strong proponent of a market orientated energy policy, industrial rationalisation and cut-backs in social security provisions.

*I enclose a telegram from Bonn (N°095) on this note, just received.*

I am copying this letter to Tim Sutton (Lord President's Office), Neil Thornton (DTI) and Gina Haskins (Economic Secretary's Office).

*Yours ever,*

*Richard Gozney*

(R H T Gozney)  
Private Secretary

C D Powell Esq  
10 Downing Street

CONFIDENTIAL



RESTRICTED  
FM BONN  
TO IMMEDIATE FCO  
TELNO 095  
OF 261133Z JANUARY 90

(COLLAR)

VISIT TO THE UK BY LAMBSDORFF, FDP CHAIRMAN : 30 JANUARY TO 2  
FEBRUARY

SUMMARY

1. LAMBSDORFF A STRONG BELIEVER IN CONSULTATION WITH ALLIES ON  
GERMAN QUESTION. HE WILL EXPECT TO HEAR BRITISH VIEWS. OPPORTUNITY  
TO QUIZ HIM ON FRG POLICY AND ON PROSPECTS. ALSO TO EXPLAIN OUR  
THINKING ON EMU AND CHIDE ABOUT NEW FDP OPPOSITION TO EFA.

DETAIL

2. GRAF LAMBSDORFF WILL SEE THE PRIME MINISTER ON 30 JANUARY AND  
YOU WILL GIVE HIM DINNER ON 1 FEBRUARY.

3. HIS PERIOD AS PARTY CHAIRMAN (SINCE OCTOBER 1988) HAS IN GENERAL  
BEEN MARKED BY A LESSENING OF FRICTION BETWEEN THE FDP AND THE  
CDU/CSU IN THE COALITION. IN AN INTERVIEW ON 25 JANUARY HE  
REITERATED THAT THE FDP UNDER HIS LEADERSHIP WOULD NOT ENTER A  
COALITION WITH THE SPD AT FEDERAL LEVEL. NEVERTHELESS, WITH THE  
APPROACH OF THE FEDERAL ELECTION IN DECEMBER THE FDP IS INCREASINGLY  
SEEKING TO ATTRACT ATTENTION WITH POSITIONS DIFFERENT FROM THOSE OF  
THE CDU/CSU. OVER THE GERMAN QUESTION, LAMBSDORFF HAS AT TIMES  
DISTANCED HIMSELF FROM KOHL AND IN FORMULATING ITS MANIFESTO FOR THE  
DECEMBER ELECTION THE FDP'S EXECUTIVE COMMITTEE HAS ADOPTED  
POSITIONS ON DEFENCE (PARTICULARLY OPPOSITION TO EFA) AT VARIANCE  
WITH COALITION POLICY.

4. LAMBSDORFF'S LINE ON THE GERMAN QUESTION HAS BEEN CHARACTERISED  
BY:

- (A) SHARP CRITICISM OF KOHL'S FAILURE TO CONSULT THE FDP AND WESTERN  
ALLIES BEFORE ANNOUNCING HIS TEN POINT PLAN.
- (B) OPPOSITION TO KOHL'S PLAN TO RECEIVE MODROW IN BONN ON 13-14  
FEBRUARY, ON THE GROUNDS THAT IT WOULD GIVE THE SED AN UNFAIR  
ADVANTAGE IN THE GDR ELECTIONS ON 6 MAY. (KOHL HAS STUCK TO HIS  
GUNS.)
- (C) STRESS ON THE IMPORTANCE OF THE FEDERAL GOVERNMENT EXPLAINING TO

THE OUTSIDE WORLD THE NATURE AND IMPORTANCE OF WHAT IS NOW GOING ON IN GERMANY.

5. THE NEW FDP POSITION ON EFA AND OTHER DEFENCE MATTERS WAS REPORTED IN MY TELNOS 57 AND 58. LAMBSDORFF HAS BEEN CAREFUL IN PUBLIC TO PLAY DOWN SPECULATION ABOUT A COALITION CRISIS OVER EFA. WHILE EXPRESSING SEVERE DOUBTS ABOUT EFA'S LONG TERM FUTURE, HE HAS RULED OUT A DECISION BY THE FDP TO SUPPORT WITHDRAWAL FROM THE DEVELOPMENT PHASE OF THE PROJECT WHICH LASTS UNTIL LATE 1991. (THERE IS NO FINANCIAL ADVANTAGE IN DOING SO.)

6. ON ECONOMIC AND MONETARY UNION, LAMBSDORFF HAS CALLED FOR A MEASURED APPROACH, THUS PUBLICLY DISAGREEING WITH GENSCHER. HE HAS CRITICISED THE FRENCH FOR FORCING THE PACE, SAYING THAT HE WOULD PREFER TO SEE AN ASSESSMENT OF THE FULL EFFECTS OF DELORS STAGE I, PARTICULARLY LIBERALISATION OF CAPITAL MOVEMENTS, BEFORE FURTHER MOVEMENT TOWARDS EMU. IN TAKING THIS LINE, LAMBSDORFF HAS ALIGNED HIMSELF CLOSELY WITH THE PRESIDENT OF THE BUNDESBANK, POEHL, WHOSE CALLS FOR A REVALUATION OF THE DEUTSCHMARK WITHIN THE ERM HE HAS ALSO SUPPORTED.

MALLABY

YYYY

DISTRIBUTION

236

MAIN

236

EUROPEAN POLITCAL (COLLAR)

WED [-]

NNNN

RESTRICTED  
FM BONN  
TO IMMEDIATE FCO  
TELNO 095  
OF 261133Z JANUARY 90

*An ally in EMU  
but not on anything else  
not*

(COLLAR)

VISIT TO THE UK BY LAMBSDORFF, FDP CHAIRMAN : 30 JANUARY TO 2  
FEBRUARY

SUMMARY

1. LAMBSDORFF A STRONG BELIEVER IN CONSULTATION WITH ALLIES ON  
GERMAN QUESTION. HE WILL EXPECT TO HEAR BRITISH VIEWS. OPPORTUNITY  
TO QUIZ HIM ON FRG POLICY AND ON PROSPECTS. ALSO TO EXPLAIN OUR  
THINKING ON EMU AND CHIDE ABOUT NEW FDP OPPOSITION TO EFA.

DETAIL

2. GRAF LAMBSDORFF WILL SEE THE PRIME MINISTER ON 30 JANUARY AND  
YOU WILL GIVE HIM DINNER ON 1 FEBRUARY.

3. HIS PERIOD AS PARTY CHAIRMAN (SINCE OCTOBER 1988) HAS IN GENERAL  
BEEN MARKED BY A LESSENING OF FRICTION BETWEEN THE FDP AND THE  
CDU/CSU IN THE COALITION. IN AN INTERVIEW ON 25 JANUARY HE  
REITERATED THAT THE FDP UNDER HIS LEADERSHIP WOULD NOT ENTER A  
COALITION WITH THE SPD AT FEDERAL LEVEL. NEVERTHELESS, WITH THE  
APPROACH OF THE FEDERAL ELECTION IN DECEMBER THE FDP IS INCREASINGLY  
SEEKING TO ATTRACT ATTENTION WITH POSITIONS DIFFERENT FROM THOSE OF  
THE CDU/CSU. OVER THE GERMAN QUESTION, LAMBSDORFF HAS AT TIMES  
DISTANCED HIMSELF FROM KOHL AND IN FORMULATING ITS MANIFESTO FOR THE  
DECEMBER ELECTION THE FDP'S EXECUTIVE COMMITTEE HAS ADOPTED  
POSITIONS ON DEFENCE (PARTICULARLY OPPOSITION TO EFA) AT VARIANCE  
WITH COALITION POLICY.

4. LAMBSDORFF'S LINE ON THE GERMAN QUESTION HAS BEEN CHARACTERISED  
BY:

- (A) SHARP CRITICISM OF KOHL'S FAILURE TO CONSULT THE FDP AND WESTERN  
ALLIES BEFORE ANNOUNCING HIS TEN POINT PLAN.
- (B) OPPOSITION TO KOHL'S PLAN TO RECEIVE MODROW IN BONN ON 13-14  
FEBRUARY, ON THE GROUNDS THAT IT WOULD GIVE THE SED AN UNFAIR  
ADVANTAGE IN THE GDR ELECTIONS ON 6 MAY. (KOHL HAS STUCK TO HIS  
GUNS.)
- (C) STRESS ON THE IMPORTANCE OF THE FEDERAL GOVERNMENT EXPLAINING TO

THE OUTSIDE WORLD THE NATURE AND IMPORTANCE OF WHAT IS NOW GOING ON IN GERMANY.

5. THE NEW FDP POSITION ON EFA AND OTHER DEFENCE MATTERS WAS REPORTED IN MY TELNOS 57 AND 58. LAMBSDORFF HAS BEEN CAREFUL IN PUBLIC TO PLAY DOWN SPECULATION ABOUT A COALITION CRISIS OVER EFA. WHILE EXPRESSING SEVERE DOUBTS ABOUT EFA'S LONG TERM FUTURE, HE HAS RULED OUT A DECISION BY THE FDP TO SUPPORT WITHDRAWAL FROM THE DEVELOPMENT PHASE OF THE PROJECT WHICH LASTS UNTIL LATE 1991. (THERE IS NO FINANCIAL ADVANTAGE IN DOING SO.)

6. ON ECONOMIC AND MONETARY UNION, LAMBSDORFF HAS CALLED FOR A MEASURED APPROACH, THUS PUBLICLY DISAGREEING WITH GENSCHER. HE HAS CRITICISED THE FRENCH FOR FORCING THE PACE, SAYING THAT HE WOULD PREFER TO SEE AN ASSESSMENT OF THE FULL EFFECTS OF DELORS STAGE I, PARTICULARLY LIBERALISATION OF CAPITAL MOVEMENTS, BEFORE FURTHER MOVEMENT TOWARDS EMU. IN TAKING THIS LINE, LAMBSDORFF HAS ALIGNED HIMSELF CLOSELY WITH THE PRESIDENT OF THE BUNDESBANK, POEHL, WHOSE CALLS FOR A REVALUATION OF THE DEUTSCHMARK WITHIN THE ERM HE HAS ALSO SUPPORTED.

MALLABY

YYYY

DISTRIBUTION

236

MAIN

236

EUROPEAN POLITICAL (COLLAR)

WED [-]

NNNN



Foreign and Commonwealth Office

London SW1A 2AH

12 December 1989

*Dear Amanda,*

*Noted  
PI file*

Visit to London of Herr Lambsdorff of the FRG

I write to confirm what we agreed this morning,  
that the call on the Prime Minister by Herr Lambsdorff  
// will be postponed from 29 January to Tuesday, 30 January,  
at 10.15 am.

*Yours sincerely,*

*Richard Gozney*

(R H T Gozney)  
Private Secretary

Mrs Amanda Ponsonby  
10 Downing Street

12.12.89  
10 11 12  
1 2 3 4 5 6 7 8 9  
PM 89



PRIME MINISTER

COUNT LAMBSDORFF

Count Lambsdorff, the FRG Minister for Economic Affairs, is visiting London on Thursday, 24 May, for talks with the Chancellor of the Exchequer and others. He has asked whether he might pay a courtesy call on you.

I do not think that it is at all necessary for you to receive Count Lambsdorff, and I would not expect the Germans to be surprised if you do not do so - I think the offer is being made out of politeness. Thursdays are, in any case, heavy days for you.

Shall I express your regrets to the FRG Embassy, saying that you hope that Count Lambsdorff's talks go well?

17 May 1979

Germany 1

FRG Embassy informed.

Jan 18/5

P.A.

Done  
OK

Jan.



IT8.7/2-1993

2009:02

Image  
Access

IT-8 Target

Printed on Kodak Professional Paper

Charge: R090212