

RESTRICTED

Qz.03056

See my letter to F.I.C.O.

MR COLES

A.S.C. 23/73

cc: Mr Bone, APS/Foreign and Commonwealth Secretary
Sir Robert Armstrong

LETTERS TO KOHL AND THORN

As requested, I hereby submit:-

- (i) a draft letter to Chancellor Kohl; and
- (ii) a draft letter to Monsieur Thorn.

I have, as instructed, made the former warmer than the latter. I have also taken the opportunity to remind Monsieur Thorn that our expectations of the Commission are not yet fully discharged.

D.H.

D J S HANCOCK

22 March 1983

RESTRICTED

Draft letter to Chancellor Kohl

I write to congratulate you on a successful European Council which made such good progress on the Budget problem, enlargement and the Middle East, ^{as well as on other matters.} I am particularly grateful for your help in securing agreement ^{on the ~~final~~ procedure for reaching} a conclusion on the UK's Budget problem in the interim ^{leading up to a long-term solution} period. I recognise that difficult negotiations lie ahead - but, I feel that, ^{under} ~~we are,~~ ^{in a degree} thanks to the German Presidency, ~~we are~~ now back on a constructive course.

Draft letter to Monsieur Gaston Thorn

The European Council on 21/22 March has made useful progress towards a solution to the Budget problem and I am grateful for your own, and the Commission's, part in securing a satisfactory outcome. Of course, the real negotiations still lie ahead and the Commission will need all its skill to steer them to a successful conclusion. But I feel that we have ^{now} made a ^{good} start down the right road.

PRIME MINISTER

cc: Mr. Flesher
Duty Clerk

CHANCELLOR KOHL

We have arranged with his Office that you 'phone him at noon our time on Saturday. (The Duty Clerk should know that Chancellor Kohl's telephone number is Bonn: 562000). We shall need the usual interpretation and an interpreter will be available at No. 10 from 1145 onwards.

I attach a speaking note which you may care to use.

As agreed, I spoke to the Chancellor's Office first thing this morning and explained our attitude to him. This has been followed up with a telegram so your message will come as no surprise to the Chancellor.

A.S.C.

18 March 1983

TELEPHONE CONVERSATION WITH CHANCELLOR KOHL

Speaking Note for the Prime Minister

1. ~~Congratulations on your success in the elections.~~
2. Thank you for your letter about the way you intend to conduct the business at the European Council.
3. In general I agree with what you suggest. In particular I am sure it is right to dispense with the usual time-consuming discussion of the economic and social conditions in the individual member states.
4. I was, however, surprised that you referred to the budget problem as if it were just a British problem. It is, of course, a Community problem and, at the Foreign Affairs Council on 14 March, President Thorn agreed to introduce the discussion of it.
5. I saw President Thorn last night. He made me very apprehensive about the discussion on Monday. He said that, apart from the Federal Republic, the other member states were not ready to negotiate seriously about the problem of 1983 and later.

/6.

Handwritten signature

With call.

6. The European Council's decisions must reflect political realities. The United Kingdom did not raise the issue before the German Elections because we recognised that, to do so, would conflict with political realities in Germany. Now that the German elections are successfully out of the way, the Community must get down to the task.

7. Next week's European Council must agree that serious negotiations about both the long term solution and the interim period shall begin immediately after Easter. The Council should instruct Foreign Ministers to settle the problem of the interim period at the May Foreign Affairs Council at the latest so that it does not have to appear on the agenda of the European Council in June. We must also make progress on the long-term solution - the European Parliament are right to press for this.

8. I hope that I can rely on your help. I shall be closely questioned by the House of Commons next week on what happened at the European Council. I have done all I can to prevent a crisis in the Community and I must now look to colleagues for help.

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Qz.03052

MR COLINS *ML* $\frac{15}{3}$
h.a.

cc: Mr Bone, FCO
Mr Hatfield

MESSAGE TO CHANCELLOR KOHL

As agreed last night, I am sending you with this minute:-

- (i) a draft telegram to Bonn which incorporates a speaking note for you to use when talking to Chancellor Kohl's office; and
- (ii) a speaking note for the Prime Minister to use when she can find time to telephone Chancellor Kohl herself.

D.H.

D J S HANCOCK

18 March 1983

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Draft telegram

To: FLASH BONN

Copied IMMEDIATE for information to UKREP BRUSSELS
AND ALL EC COMMUNITY POSTS

EUROPEAN COUNCIL 21/22 MARCH

Following the Prime Minister's talk with
President Thorn last night, Coles (No 10) telephoned
[Schreckenberger] in the Federal Chancellor's
office and spoke as follows on the Prime Minister's
instructions. Please deliver a copy of the message
to Kohl's office to ensure that there has been no
misunderstanding and also that Chancellor Kohl will
be properly briefed when the Prime Minister telephones
him this afternoon or tomorrow.

2. Begins.

The Prime Minister was disturbed by her talk with
President Thorn last night and would like to have a
word about it with Chancellor Kohl as soon as this
can be arranged - either this afternoon or tomorrow.
The Prime Minister reminded President Thorn of the
history of the negotiations on the solution to the
budgetary problem for 1983 and later and, in particular,
the fact that no solution was agreed last November
despite the commitment by the Foreign Affairs Council
to agree one by that date. She explained the political
necessity for such a solution by June in the same terms
as she used when Chancellor Kohl visited her in London
on 4 February.

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3. President Thorn said that, although he understood the problem and sympathized with the Prime Minister's position, he did not believe that the other member states, with the exception of the Federal Republic, were ready to negotiate seriously on the interim solution. He was not confident that the European Council on Monday would agree to a timetable for the negotiations on the interim solution.

4. The Prime Minister wishes to be sure that Chancellor Kohl understands the seriousness of the problem that would arise if the European Council failed to deal with the issue of the interim solution. In view of the fact that no arrangement has been made for 1983 and that a lasting solution to the problem will obviously take time to negotiate, the European Council must address this issue.

5. It is, in the Prime Minister's view, essential that the European Council should invite the Commission to make proposals in time for them to be considered by the Foreign Affairs Council in April. The Commission's proposals must cover both a lasting solution to the problem, as requested by the European Parliament following discussion of their Green Paper, and also how the problem will be dealt with in 1983 and the subsequent years of the interim period before the lasting solution is put in place. The European Council must agree that the problem of this interim period should be settled before its next meeting in

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June. The negotiations on the future financing of the Community must be conducted in parallel with the negotiations on 1983 and later.

MESSAGE ENDS.

TELEPHONE CONVERSATION WITH CHANCELLOR KOHL

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Chargé d'Affaires a.i.
DER-BOTSCHAFTER
DER BUNDESREPUBLIK DEUTSCHLAND

London, 17 March 1983

Prime Minister

A.S.C. 15.
3

Dear Prime Minister,

I have just received the text of a letter addressed by Chancellor Helmut Kohl to his colleagues in preparation for the next European Council which I have been instructed to convey to you and which I hasten to transmit herewith.

I am, dear Prime Minister,
very sincerely yours,

Jürgen Alten

Jürgen von Alten

The Rt.Hon. Margaret Thatcher, MP
Her Majesty's Prime Minister and
First Lord of the Treasury
L o n d o n

9 Internal Affairs

26 Aid Plan

15 Youth Unemployment

6 - L. Maycross

19 Agricultural Ministers

5 Budget

Dear Prime Minister,

since there is a very extensive list of topics to be covered at the forthcoming meeting of the european council in brussels on 21 and 22 march, we should together try to focus our consultations on several main points. accordingly, i should like to present a few suggestions prior to the meeting concerning the course of our discussions.

in considering the economic and social situation in the community, i think it would be sensible to dispense with the usual, time-consuming discussion of economic and social conditions in the individual member states and instead to concentrate immediately on those issues on which the heads of state and government may be expected to provide guidelines.

i am thinking primarily of the fight against unemployment among young people and issues regarding the internal market.

- ①
- ②
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in this context we might direct our attention also to specific community problems, such as our energy and research policy, the topic of the budget which the united kingdom intends to bring up and the question of reciprocal recognition of diplomas. in addition, the pressing environmental problem of our dying forests should be given particular attention.

⑤

⑥

a further focal point of our meeting should be the negotiations with portugal and spain. the european council should clearly reaffirm the community's political commitment to expansion towards the south by underscoring its desire to achieve tangible progress in the negotiations on those countries' accession. this applies in particular to the sphere of agriculture. it is

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our task to ensure that the council succeeds without delay in making the necessary decisions for carrying out the copenhagen working programme. as you know, the council (agriculture) was unable to agree on an adjustment of the eksisting regulations concerning fruits and vegetables and olive oil. in these two issues, however, an agreement seems to me to be of foremost importance. we should therefore call upon the council (agriculture) and the general council to make strong and determined efforts to reach such an agreement regarding the problems at hand. this means that we must all be willing to take a step towards each other, clearing the way for feasible compromises.

i deeply hope that at the end of our deliberations we will clearly voice our will and readiness to make swift progress in the negotiations with spain and portugal, and thus lay the groundwork for the integration of those two new member states into the community, without allowing this to have unfavourable consequences for the community's further development. a thorough report on this will be necessary at our nekst meeting in june.

furthermore, i consider it important for us to discuss the relations between the community and the united states. i am thinking particularly of the current discussion concerning agricultural issues which we are carrying on in a spirit of partnership with the united states.

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folgt uebersetzung seite 2

finally, we should use this opportunity for a first ekschange of views regarding the forthcoming economic summit meeting in williamsburg. in this connection we might also discuss the focal points of the economic policy of our countries. as in the past, further preparation for williamsburg will be the responsibility of the council.

it should be possible for us to wrap up our discussion of the topics mentioned above during the afternoon of 21 march, so that we would not need to address these issues again the nekst morning. i would be gratified if the president of the commission would open the discussion on community affairs by giving a brief summary of the issues of central concern to the commission. the chairman of the council might give supplementary information, particularly about the progress that has been made so far in the working programme agreed upon in copenhagen.

at dinner we should, as usual, discuss the subjects which individual members consider especially important. particular significance might well be attached to issues of east-west relations.

on the second day of our meeting, i.e. on 22 march, we might begin by hearing a progress report from herr genschler on the current state of deliberations on the german-italian initiative. we should then discuss the subjects of european political

co-operation. two main areas to be dealt with in this connection are undoubtedly the east-west relationship and the middle east. i hope that these suggestions find your support. i would appreciate it very much if you would inform me of your thoughts on these matters.

our luncheon together before the opening of the meeting of the european council would offer an oppogptunity to do so.

i am very much looking forward to seeing you soon in brussels.

sincerely yours,

(sgd.) helmut kohl

chancellor of the federal republic of germany

Sehr geehrte Frau Premierministerin,

''fuer die bevorstehende tagung des europaeischen rats am 21. und 22. maerz in bruessel liegt uns eine sehr umfangreiche themenliste vor. wir sollten daher gemeinsam den versuch unternehmen, unsere beratungen auf einige schwerpunkte zu konzentrieren. dazu moechte ich ihnen vorab einige anregungen zum gang der diskussion uebermitteln.

bei der beratung der wirtschaftlichen und sozialen lage in der gemeinschaft erscheint es mir zweckmaessig, wenn wir uns, unter verzicht auf die sehr zeitraubende uebliche darlegung der wirtschaftlichen und sozialen lage in den einzelnen mitgliedstaaten, von vornherein auf die fragen konzentrieren, zu denen von den staats- und regierungschefs orientierungen erwartet werden koennen.

ich denke vor allem an die bekaempfung der jugend- arbeitslosigkeit und an fragen des binnenmarktes.

wir koennten uns in diesem zusammenhang auch einigen spezifischen gemeinschaftsproblemen zuwenden, der energie- und forschungspolitik, dem vom vereinigten koenigreich angekuendigten thema haushalt sowie der frage der gegenseitigen anerkennung der diplome. auch das draengende umwelt- problem des waldsterbens sollte von uns mit besonderer aufmerksamkeit behandelt werden.

ein weiterer schwerpunkt unserer tagung sollten die verhandlungen mit portugal und spanien sein.

der europaeische rat sollte das politische engagement der gemeinschaft zur suederweiterung sichtbar bekraeftigen, indem er seinen klaren willen zu merkbaren fortschritten in den beitriffsverhandlungen bekundet.

das gilt namentlich fuer den bereich der landwirtschaft.

es ist unsere aufgabe sicherzustellen, dass der rat zur erfuellung des arbeitsprogramms von kopenhagen rasch die erforderlichen entscheidungen trifft. wie sie wissen, konnte der rat (landwirtschaft) kein einvernehmen ueber die anpassung der bestehenden regeln fuer obst und gemuese sowie fuer olivenoel erzielen. eine einigung in diesen beiden fragen scheint mir jedoch vordringlich zu sein. wir sollten daher den rat (landwirtschaft) wie auch den allgemeinen rat auffordern, ueber die anstehenden probleme mit nachdruck und entschlossenheit eine einigung anzustreben. dies setzt unser aller bereitschaft voraus, aufeinander zuzugehen, um den weg fuer gangbare kompromisse frei zu machen.

ich hoffe sehr, dass wir am ende unserer beratungen deutlich unseren willen und unsere bereitschaft zum ausdruck bringen, die verhandlungen mit spanien und portugal rasch voranzubringen, damit die grundlage fuer die eingliederung der beiden neuen mitgliedstaaten in die gemeinschaft legen, ohne dass dies unerwuenschte auswirkungen auf die weitere entwicklung der gemeinschaft ausloest.

auf unserem naechsten zusammentreffen im juni wird hierueber ausfuehrlich zu berichten sein.

des weiteren erscheint es mir erforderlich, dass wir ueber die beziehungen zwischen der gemeinschaft und den usa sprechen. ich denke besonders an die aktuelle diskussion zu agrarfragen, die wir im geiste der partnerschaft mit den usa fuehren.

im uebrigen sollten wir die gelegenheit zu einem ersten gedankenaustausch ueber den naechsten wirtschaftsgipfel in williamsburg nutzen. hierbei koennten wir auch ueber die schwerpunkte in der wirtschaftspolitik unserer laender sprechen. die weitere vorbereitung fuer williamsburg wuerde, wie auch schon in der vergangenheit, in haenden des rats liegen.

es sollte uns moeglich sein, die bisher genannten themen am 21. maerz im laufe des nachmittags abschliessend zu behandeln, so dass eine wiederaufnahme der diskussion zu diesen themen am naechsten morgen nicht notwendig ist.

ich wuerde es begruessen, wenn der praesident der kommission die diskussion ueber die gemeinschaftsthemen mit einer kurzen darstellung der fuer die kommission zentralen fragen einleiten wuerde. der vorsitzende des rats koennte ergaenzend berichten, insbesondere ueber den stand der arbeiten zu dem in kopenhagen beschlossenen arbeitsprogramm.

bei unserem abendessen sollten wir wie ueblich diejenigen themen ansprechen, die der eine oder andere aus unserem kreis fuer besonders wichtig ansieht. ich koennte mir vorstellen, dass dabei fragen der ost-west-beziehungen einen wichtigen platz einnehmen.

am zweiten tag, d.h. am 22. maerz, koennten wir zunaechst

einen bericht von herrn genscher ueber den beratungsstand zur deutsch-italienischen initiative entgegennehmen. im anschluss daran sollten wir die themen der europaeischen politischen zusammenarbeit besprechen. ich denke, dass dabei namentlich das ost-west-verhaeltnis und der nahe osten gegenstand unserer beratungen sein werden.

ich hoffe, dass sie diesen anregungen zustimmen koennen. ich waere ihnen sehr dankbar, wenn sie mich ihre ueberlegungen dazu wissen liessen.

unser gemeinsames mittagessen vor beginn der tagung des europaeischen rats wird hierfuer gelegenheit bieten.

ich freue mich sehr, mit ihnen in kuerze in bruessel zusammenzutreffen und bin mit freundlichen gruessen
ihr helmut kohl
bundeskanzler der bundesrepublik deutschland'