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FRAME ECONOMIC
DESKBY 271915Z
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TO IMMEDIATE FCO
TELEGRAM NUMBER 222 OF 27 FEBRUARY
INFO IMMEDIATE UKREP BRUSSELS, PARIS

MY TELNO 219: KOHL/MITTERRAND MEETING 24 FEBRUARY

1. TELTSCHIK, KOHL'S DIPLOMATIC ADVISER, HAS THIS EVENING GIVEN US MORE INFORMATION ABOUT THIS MEETING.
2. TELTSCHIK BEGAN BY SAYING THAT DUMAS HAD JOINED THE KOHL/MITTERRAND MEETING ON THE EVENING OF 24 FEBRUARY AND HAD DESCRIBED HIS MEETING WITH YOU (YOUR TELNO 155 TO PARIS). THE GERMANS GAINED THE IMPRESSION, FROM DUMAS'S RATHER UP-BEAT REPORT, THAT THE POSITIONS OF THE UK, FRANCE AND THE FRG HAD COME NOTICEABLY CLOSER. THIS APPLIED PARTICULARLY TO BUDGETARY DISCIPLINE.
3. TELTSCHIK SAID THAT THE GERMANS AT PRESENT WERE NOT INSISTING ON REFUNDS TO THEMSELVES, BUT WERE EXPECTING THEIR PROBLEM TO BE DEALT WITH THROUGH THE OVERALL ARRANGEMENT FOR BUDGETARY DISCIPLINE. BUT THEY WERE RESERVING THEIR POSITION ON THIS, AND ON THE QUESTION WHETHER/HOW MUCH THEY SHOULD CONTRIBUTE TO BRITISH REFUNDS, UNTIL THE SHAPE OF THE OVERALL POST-STUTTGART PACKAGE WAS CLEAR.
4. TELTSCHIK SAID THAT KOHL HAD PUT TO MITTERRAND A NEW GERMAN POSITION ON MCAS. THE GERMANS HAD AGREED TO SOME REAL REDUCTION

4. TELTSCHIK SAID THAT KOHL HAD PUT TO MITTERRAND A NEW GERMAN POSITION ON MCAS. THE GERMANS HAD AGREED TO SOME REAL REDUCTION IN THEIR MCA AND TO COMPENSATE GERMAN FARMERS PARTLY FROM THE NATIONAL BUDGET. THE GERMANS CONSIDERED THEIR PROPOSAL GENEROUS AND WERE CONFIDENT THAT IT WOULD BE ACCEPTED.

5. KOHL AND MITTERRAND HAD AGREED THAT IRELAND SHOULD BE EXEMPTED FROM NEW ARRANGEMENT FOR MILK (WE EMPHASISED TO TELTSCHIK THAT THIS WAS UNACCEPTABLE IN LONDON). TELTSCHIK IMPLIED THAT KOHL AND MITTERRAND HAD AGREED THAT THERE SHOULD BE NO FATS TAX AND THAT NO ACTION SHOULD BE TAKEN AT PRESENT ON CEREAL SUBSTITUTES.

6. TELTSCHIK SAID THAT GERMANY WAS STILL INSISTING THAT ANY INCREASE IN OWN RESOURCES SHOULD BE 1.4 PER CENT. BUT THE GERMANS HAD HEARD A RUMOUR (SOURCE UNSPECIFIED) THAT THE BRITISH WOULD GO TO 1.5 PER CENT. WE SAID THAT YOU HAD BEEN FIRM WITH DUMAS THAT 1.4 PER CENT WOULD BE THE MAXIMUM POSSIBLE.

7. FCO PLEASE ADVANCE TO:
WILLIAMSON, DURIE: CAB OFF
SIR C THICKELL, HANNAY, FAIRWEATHER, WALL: FCO
UNWIN, FITCHEW, MORTIMER: TSY
ANDREWS, MRS ATTRIDGE: MAFF

TAYLOR

NNNN

SENT AT 271920Z GU

PSE QSL LATER

HERE DD