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FM BONN

TO PRIORITY FCO

TELNO 355

OF 251905Z APRIL 86

INFO PRIORITY WASHINGTON, TOKYO, PARIS, UKREP BRUSSELS

INFO ROUTINE OTTAWA, ROME

TOKYO ECONOMIC SUMMIT

1. CHANCELLOR KOHL LEAVES BONN TOMORROW 26 APRIL. HE WILL VISIT INDIA AND THAILAND ON THE WAY TO TOKYO.

2. TELTSCHIK, WHO WILL ACCOMPANY HIM, TOLD ME TODAY THAT KOHL WAS CONTENT WITH THE AGENDA WHICH HAD BEEN CIRCULATED TO COVER THE ECONOMIC SIDE. ON THE MAIN POINT, MANAGEMENT OF THE WORLD ECONOMY, THE FIGURES SHOWED THAT THE FRG HAD MORE THAN DISCHARGED THE UNDERTAKINGS IT HAD GIVEN IN BONN IN 1985. WITH GROWTH IN 1986 LIKELY TO BE NEARER 4 PERCENT THAN 3 PERCENT, KOHL WAS CONFIDENT OF BEING ABLE TO RESIST ANY PRESSURE (NOT THAT TELTSCHIK EXPECTED IT) ON HIM TO 'DO MORE'. JAPAN WAS A DIFFERENT STORY, AND KOHL MIGHT WELL URGE THE ADOPTION OF SIMILAR CATALOGUES OF NATIONAL UNDERTAKINGS THIS YEAR, SO AS TO ENSURE THAT THE GOALS IN THE MAEKAWA REPORT WERE ADOPTED AS JAPANESE GOVERNMENT POLICY. TELTSCHIK ESPECIALLY DREW MY ATTENTION TO THE CURRENT ISSUE OF WIRTSCHAFTSWOCHEN, A SERIOUS ECONOMIC WEEKLY, WHICH HAS A HEADLINE 'GERMANY'S NEW ECONOMIC MIRACLE' COVERING A STORY THAT THE PROGNOSIS INSTITUTE IN BASLE IS ABOUT TO PUBLISH A STUDY PREDICTING STEADY ECONOMIC GROWTH FOR THE FRG UNTIL THE YEAR 2010 AT LEAST, WHEN GERMAN GDP IS CALCULATED AT NEARLY DOUBLE WHAT IT WAS IN 1985.

3. ON THE POLITICAL SIDE, TELTSCHIK HAD NO COMMENT EXCEPT TO SAY THAT HE HAD HEARD OF AN AMERICAN VARIANT OF THE PROPOSAL FOR A MARSHALL PLAN FOR THE MIDDLE EAST, WHICH HE FOUND LESS CONVINCING THAN THE ORIGINAL ISRAELI PROPOSAL, LINKED AS THIS HAD BEEN TO CONCRETE PROJECTS INVOLVING ISRAEL WITH EGYPT AND IF POSSIBLE JORDAN. IT WAS CLEAR TO THE GERMANS, HOWEVER, THAT SUCH A PLAN MIGHT REINFORCE A PEACE SETTLEMENT BUT COULD NOT OBTAIN THE NEED FOR A POLITICAL FRAMEWORK IN WHICH IT COULD BE SET.

BULLARD

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