

CONFIDENTIAL

Bilateral with the Chancellor

He will want to raise:

- ✓ (i) EC Budget, in advance of your meetings with Chancellor Kohl and President Mitterrand.
- ✓ (ii) Sir Kenneth Couzens' candidature for Secretary General of OECD. The Chancellor will urge that when you see Chancellor Kohl you request him to put his support behind Sir Kenneth's candidature if, as now seems likely, the Germans have no candidate of their own to put forward. If German support is secured the Chancellor would like you to send a message to the Americans urging that they should support Sir Kenneth rather than the French candidate they have been considering.

You may want to raise with him:

- ✓ (iii) The Government reaction to the Review Bodies. All the recommendations are troublesome and the best response at this stage may be to play for time while as many major settlements as possible are secured elsewhere in the public sector.
- ✓ (iv) You could ask the Chancellor whether any advice has been received from Warburg's on Wytch Farm.
- ✓ (v) The tariff formula for BT. The Treasury are still resisting the BT/DTI proposals on modification of RPI minus X where inflation is very low, feeling that sufficient concessions have already been made.

AT

ANDREW TURNBULL

27 April 1984

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