

GRS 480

UNCLASSIFIED

FRAME ECONOMIC

FM PARIS 251140Z FEB 84

TO PRIORITY FCO

TELEGRAM NUMBER 249 OF 25TH FEBRUARY

INFO PRIORITY UKREP BRUSSELS, BONN, ROUTINE ATHENS, BRUSSELS,
COPENHAGEN, DUBLIN, THE HAGUE, LUXEMBOURG, ROME.

INFO SAVING MADRID, LISBON.

MY TELNO 248: POST-STUTTGART NEGOTIATIONS, KOHL/MITTERRAND
MEETING IN PARIS, 24 FEBRUARY.

SUMMARY.

1. FIRST REPORTS SUGGEST THAT WHILE THERE MAY HAVE BEEN A MEETING
OF MINDS ON SEVERAL ASPECTS OF THE NEGOTIATIONS NO UNCONDITIONAL
AGREEMENT ON MCAS EMERGED.

DETAIL

2. ACCORDING TO AGENCE FRANCE PRESSE, AFTER THE TWO-HOUR MEETING
AND WORKING DINNER AT THE ELYSEE, MITTERRAND TOLD THE PRESS THAT
THE FRANCO-GERMAN AGREEMENT WOULD BE NO SUBSTITUTE FOR A GENERAL
AGREEMENT. KOHL IS REPORTED TO HAVE SAID THAT THE FRG AND
FRANCE HAD A PARTICULAR COMMITMENT TO EUROPE. ON THE POST-STUTTGART
DOSSIERS, KOHL COMMENTED THAT THEY HAD MADE PROGRESS BUT HAD NOT
YET ARRIVED AT THEIR GOAL: MORE HARD WORK WOULD BE NEEDED. BUT
FOR THE GERMANS THERE WAS NO ALTERNATIVE TO EUROPE AND IT WAS
VITAL THAT THE EUROPEAN COUNCIL IN MARCH SHOULD BE A SUCCESS.
KOHL HAD STRESSED THE NEED TO GO BEYOND THE SETTLEMENT OF EUROPEAN
FINANCIAL PROBLEMS AND TO RELAUNCH EUROPEAN POLITICAL INTEGRATION.
MITTERRAND HAD INDICATED THAT THE FRENCH AND GERMAN GOVERNMENTS
WOULD REMAIN IN CLOSE CONTACT UNTIL THE SUMMIT.

3. MITTERRAND IS REPORTED TO HAVE SAID CRYPTICALLY THAT HE AND
KOHL HAD SPOKEN OF MCAS, AND THAT THEY TRIED NOT TO DISCUSS
MATTERS WITHOUT HAVING ANYTHING TO SAY. AFP QUOTES GOOD SOURCES
AS SAYING THAT A REDUCTION OF GERMAN MCAS WAS DIRECTLY LINKED
WITH THE NEGOTIATION ON THE ANNUAL CAP PRICE FIXING. IN ORDER
TO ALLOW THE GERMANS TO MEET THE FRENCH REQUEST FOR A 3 - 4 PERCENT
REDUCTION OF MCAS, THE COMMISSION WOULD HAVE TO RAISE ITS FARM
PRICE PROPOSALS.

4. YESTERDAY EVENING'S PRESS CONFERENCE WAS TOO LATE FOR THIS
MORNING'S PAPERS AND ONLY LIBERATION (LEFT WING INDEPENDENT)

/CARRIES

CARRIES AN ARTICLE ON THE MEETING. THIS COMMENTS THAT MITTERRAND'S TOUR OF EUROPEAN COUNTRIES WAS INTENDED TO VERIFY THE EXISTENCE OF REAL POLITICAL WILL TO GIVE LIFE TO EUROPE AND THAT A COMMON FRONT WAS EMERGING WHICH COULD MAKE BRITAIN, THE MOST UNYIELDING PARTNER, COME INTO LINE. ACCORDING TO LIBERATION, BONN CONSIDERED THAT THE BRITISH DEMAND FOR A PERMANENT ANNUAL REDUCTION OF 1.5 MILLIARD ECU IN THEIR BUDGETARY CONTRIBUTION WAS VERY EXAGGERATED WHEN THEIR PARTNERS DID NOT WISH TO GRANT AN ANNUAL REBATE OF MORE THAN 750 MILLION ECUS. BONN HAD WELCOMED THE FRENCH IDEA OF LIMITING THE FUTURE ANNUAL GROWTH OF THE EC BUDGET TO 5 PERCENT, THUS PERMITTING A CEILING ON THE EXORBITANT COSTS OF THE CAP. BUT THE ARTICLE COMMENTS THAT THE FRANCO GERMAN AXIS WOULD ONLY BE WATERTIGHT IF THE PROBLEM OF MCAS WAS SATISFACTORILY SETTLED.

FCO PLEASE PASS SAVING ADDRESSEES.

FRETWELL

REPEATED AS REQUESTED

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ECD (I)

THIS TELEGRAM
WAS NOT
ADVANCED

2