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Pamie Phrister

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INFO PRIORITY UKREP BRUSSELS, UKDEL NATO EMG BERLIN (FOR AMBASSADOR)
INFO ROUTINE EEC POSTS AND WASHINGTON.

ANGLO-GERMAN CONSULTATIONS 31 OCTOBER: PRESS REACTIONS

1. THERE HAS BEEN WIDE AND FRIENDLY COVERAGE OF THE PRIME MINISTER'S VISIT. THE GENERAL TONE IS REFLECTED IN AN EDITORIAL IN TODAY'S FRANKFURTER ALLGEMEINE ZEITUNG WHICH SAYS THAT THE ANGLO-GERMAN DISCUSSIONS, LIKE THOSE BETWEEN THE FRG AND FRANCE, ARE NOW MORE THAN CONSULTATIONS: THEY HAVE DEVELOPED INTO A MANIFESTATION OF FRIENDLY RELATIONS BETWEEN NEIGHBOURS. THE ARTICLE SAYS THAT THE PRIME MINISTER IS ACCORDED THE STATUS OF A HEAD OF GOVERNMENT WHO HAS BEEN IN OFFICE FOR YEARS. SEVERAL PAPERS EMPHASISE SCHMIDT'S RESPECT AND ADMIRATION FOR HER.

2. PRESS REPORTS CONCENTRATE ON THE COMMUNITY BUDGET AND ARE BASED PRIMARILY ON THE JOINT PRESS CONFERENCE. THE UK CASE IS FAIRLY PRESENTED. PAPERS EMPHASISE SCHMIDT'S STATEMENTS THAT BRITAIN'S DEMANDS WERE WELL FOUNDED: THAT HE WELL UNDERSTOOD BRITISH DIFFICULTIES: THAT HE HOPED THE EUROPEAN COUNCIL WOULD AT LEAST DECIDE THE PRINCIPLES ON WHICH A SOLUTION SHOULD BE BASED: BUT THAT THE MEETING WITH MRS THATCHER HAD SHOWN HIM THAT THE BUDGET QUESTION WAS EVEN MORE DIFFICULT THAT HE HAD HITHERTO THOUGHT. THE BONNER GENERAL ANZEIGER REPORTS THAT BOTH HEADS OF GOVERNMENT INDICATED DOUBTS ABOUT A QUICK AGREEMENT AND SCEPTICISM THAT FINAL DECISIONS COULD BE TAKEN IN DUBLIN. THE FRANKFURTER ALLGEMEINE ZEITUNG SAYS THAT ALTHOUGH SCHMIDT CONSIDERED IT NECESSARY TO ALLEVIATE BRITAIN'S DIFFICULTIES HE WOULD NOT ASSUME THE ROLE OF MEDIATOR, NOR WOULD HE THREATEN IN ANY WAY ESTABLISHED ELEMENTS OF COMMUNITY POLICY.

3. PRESS COMMENT HAS BEEN THIN SO FAR AND MOST HAS COME FROM CORRESPONDENTS BASED IN BRUSSELS. HAUSER OF THE GENERAL ANZEIGER, WRITING ALSO IN THE FRANKFURTER RUNDSCHAU, POINTS OUT THAT THE BUDGET PROBLEM IS ONE OF A COMPLEX OF INTER-LINKED ISSUES. IF THE UK WERE FORCED OUT OF THE COMMUNITY THERE WOULD BE REPERCUSSIONS FOR BOTH EAST/WEST AND FOR TRANSATLANTIC RELATIONS. A COMPROMISE MUST BE FOUND WHICH SHOWS THE PRIME MINISTER AS VICTOR BUT GISCARD NOT AS LOSER.

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4. SOME COMMENT IS LESS HELPFUL. A CORRESPONDENT OF THE FRANKFURTER ALLGEMEINE ZEITUNG WRITES THAT THE PRIME MINISTER HAS OVER-SIMPLIFIED THE MATTER BY EMPHASISING BRITAIN'S BELOW-AVERAGE PER CAPITA INCOME WHILST REMAINING SILENT ABOUT THE REASONS WHY BRITAIN IS LAGGING BEHIND: THE UK'S FAILURE. TO RESTRUCTURE THE ECONOMY. THE RHEINISCHE POST'S BRUSSELS CORRESPONDENT ASSERTS THAT BRITAIN'S FIGURES ON THE BUDGET CONTRADICT THE COMMISSION'S. MOREOVER EVEN THE PRIME MINISTER WAS NOT ABLE TO SAY BY EXACTLY WHAT FIGURE BRITAIN'S CONTRIBUTION IS EXCESSIVE.

5. THERE IS MUCH LESS COVERAGE OF OTHER ISSUES. THE PRESS REPORTS FAR-REACHING AGREEMENT ON THE MODERNISATION AND DIE WELT WRITES THAT THE MEETING LEFT THE IMPRESSION THAT THE FRG AND BRITAIN WOULD PROVIDE THE QUOTE HARD CORE UNQUOTE OF SUPPORT FOR ARMS MODERNISATION AT THE NATO COUNCIL. ON RHODESIA, THE PRESS REPORTS THAT SCHMIDT ECHOED THE PRIME MINISTER'S SUPPORT FOR YOUR CONDUCT OF THE NEGOTIATIONS AND CARRIES HIS COMMENT THAT BRITAIN'S INTENSIVE EFFORTS HAVE BEEN UNEXPECTEDLY SUCCESSFUL SO FAR.

WRIGHT

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