RESTRICTED

GRS 455 RESTRICTED DESKBY 271630Z FM BONN 271500Z OCT 82 TO IMMEDIATE FCO TELEGRAM NUMBER 915 OF 27 OCTOBER INFO PRIORITY WASHINGTON PARIS MOSCOW UKDEL NATO INFO SAVING ANKARA ATHENS BRUSSELS UKREP BRUSSELS COPENHAGEN THE HAGUE DUBLIN LUXEMBOURG LISBON OSLO OTTAWA REYKJAVIK ROME WARSAW PRAGUE BUDAPEST BUCHAREST EAST BERLIN SOFIA BMG BERLIN AND ALL CONSULATES-GENERAL IN THE FRG.

HELMUT SCHMIDT

- 1. AS REPORTED IN OUT TELEGRAM NUMBER 910 SCHMIDT ANNOUNCED YESTERDAY HIS DECISION NOT TO STAND AGAIN FOR THE FEDERAL CHANCELLORSHIP. HE INTENDS HOWEVER TO STAY IN THE BUNDESTAG AFTER THE ELECTIONS NEXT MARCH.
- 2. SPEAKING TO THE SPD PARLIAMENTARY PARTY, SCHMIDT GAVE HEALTH AND POLITICAL REASONS FOR THE DECISION. HE HAD HAD THREE MAJOR ILLNESSES IN THE PAST TEN YEARS, AND HIS DOCTORS HAD ADVISED HIM NOT TO SUBJECT HIMSELF AGAIN TO THE STRESSES OF OFFICE. IT WOULD BE DIS-HONEST TO STAND FOR ELECTION AS CHANCELLOR KNOWING THAT HE COULD NOT SERVE ANOTHER FULL FOUR YEAR TERM. IT WAS IN ANY CASE TIME TO BRING NEW BLOOD INTO THE PARTY LEADERSHIP. BUT IN HIS SOMETIMES BITTER STATEMENT SCHMIDT ADDED THAT HE COULD NOT ABANDON POLICIES WITH WHICH HE HAD BEEN IDENTIFIED AS CHANCELLOR. HE CITED SPECIFI-CALLY SPD FEUDING OVER ECONOMIC AND FINANCE POLICY, NUCLEAR ENERGY AND GROWING OPPOSITION WITHIN THE SPD TO THE DOUBLE DECISION ON INF. INTERNAL SPD FEUDING ON THESE ISSUES HAD ONLY BEEN TEMPORARILY ARRESTED. IT WAS IMPORTANT FOR THE SPD TO DEMONSTRATE ITS READINESS AND ABILITY TO GOVERN. AFTER THE ELECTIONS, AS HE PUT IT IN AN EARLIER INTERVIEW, THE SPD WOULD CAST HIM ASIDE LIKE A QUOTE USED PIECE OF BLOTTING PAPER UNQUOTE. FOR HIS PART, HE COULD NOT CONCEIVE CONDUCTING COALITION NEGOTIATIONS AFTER THE MARCH ELECTIONS WITH THE CDU/ CSU, THE GREENS OR ABOVE ALL WITH GENSCHER.
- 3. SCHMIDT AND BRANDT HAVE NOW BEEN ASKED BY THE SPD PRAESIDIUM TO PROPOSE ON FRIDAY , 29 OCTOBER, A CHANCELLOR-CANDIDATE TO BE OFFICIALLY NOMINATED AT THE SPD'S ELECTION CONFERENCE ON 21 JANUARY. THE TWO PRINCIPAL CONTENDERS ARE JOHANNES RAU, MINISTER PRESIDENT OF NORTH-RHINE WESTPHALIA, AND HANS-JOCHEN VOGEL, OPPOSITION LEADER IN BERLIN. MOST COMMENTATORS GIVE VOGEL AN EDGE OVER RAU.
- 4. EXTENSIVE MEDIA COMMENT ON SCHMIDT'S DEPARTURE STRESSES HIS GOOD SERVICE TO THE NATION AND TO HIS PARTY, BUT THERE ARE FEW DOUBTS ABOUT THE RIGHTNESS OF HIS DECISION AND NONE ABOUT ITS FINALITY. AS THE FRANKFURTER RUNDSCHAU PUTS IT, QUOTE TODAY HE IS A GIANT FELLED

RESTRICIED

BY LITTLE MEN: IF HE LOST A MARCH ELECTION, HE WOULD BE AN EXCHAMPION WHO DID NOT KNOW WHEN TO RETIRE UNQUOTE. THE MORE CONSERVATIVE PAPERS EMPHASISE SCHMIDT'S GROWING DIFFERENCES WITH HIS
PARTY AND THE LIKELIHOOD THAT THE SPD, UNDER BRANDT'S INFLUENCE, WILL
NOW SHIFT FURTHER TO THE LEFT. SPOKESMEN FROM THE CDU AND FDP HAVE
BEEN QUICK TO CLAIM THAT SCHMIDT'S DECISION BELIES THE SPD'S
ACCUSATIONS THAT THE FDP BETRAYED THE PREVIOUS COALITION. THERE IS
GENERAL AGREEMENT, HOWEVER, THAT KOHL IS THE CHIEF GAINER: SCHMIDT'S
DECISION WEAKENS THE SPD'S CHANCES IN THE MARCH ELECTIONS, AND
(AS HANDELSBLATT PUTS IT) QUOTE THE CSU WILL NOT FIND IT SO EASY TO
CALL KOHL A TEMPORARY CHANCELLOR, AND HE CAN TACKLE HIS TASKS MORE
CALMLY UNQUOTE.

FCO PLEASE PASS SAVING ADDRESSEES ABOVE EXCEPT BMG BERLIN AND CONSULATES-GENERAL IN THE FRG.

TAYLOR

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