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Foreign and Commonwealth Office

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John Smith

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Call on the Prime Minister by Herr Helmut Schmidt

In your letter of 10 August, you told us that the Prime Minister had agreed to receive Herr Helmut Schmidt for thirty minutes at 1130 on Friday 7 October. He last called on the Prime Minister on 25 November 1982 shortly after Kohl had succeeded him as Chancellor. Herr Schmidt subsequently came to the UK on 9 June this year to receive an Honorary Degree from Cambridge University. A meeting with the Prime Minister was planned, but had to be cancelled because of the Election.

The Prime Minister will find Herr Schmidt preoccupied with INF. The SPD are to debate the issue at a Party Conference in mid-November, and will almost certainly call for deferment of missile deployment. They may well also call for British and French forces to be included in the talks. While Herr Schmidt shares his Party's concern at deployment, his current position on INF is not entirely clear.

Since he stepped down as leader of the SPD in favour of Dr Vogel before the March elections, Herr Schmidt has played a much smaller role in SPD affairs. He now spends much of his time lecturing and writing on international economic issues, and became a co-publisher of "Die Zeit" in March 1983.

I attach a background brief on the Federal German Political scene.

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THE FEDERAL GERMAN POLITICAL SCENE

1. Chancellor Kohl's CDU/CSU/FDP coalition came to power in October 1982 after Schmidt's SPD/FDP coalition broke up, primarily over economic policy. Kohl then displayed considerable political and constitutional skill in contriving early elections on 6 March, and led the CDU/CSU to their second best ever result. Kohl needs the liberal FDP as a coalition partner (the Greens deprived the CDU/CSU of an absolute majority) and he was able to follow his personal preference in re-appointing Genscher (FDP) as Vice Chancellor and Foreign Minister, leaving Strauss (CSU) as Minister President in Bavaria. The SPD result was their worst for twenty years, although they did recover (nearly 10% according to the polls) from a low point in the summer of 1982, when squabbling with the FDP was at its height.

2. The Hesse and Bremen Land (regional) elections on 25 September 1983 constituted the first electoral test of the coalition's popularity since March. The results were a boost for the locally popular SPD at the expense of the CDU. There had been serious doubt whether the FDP would clear the 5% hurdle needed for parliamentary representation in either election; in the event, the FDP failed to achieve 5% of the vote in Bremen, but succeeded in the much more important elections in Hesse.

3. Although Genscher's future seems assured for the time being, Strauss continues his efforts to discredit him and create difficulties for the FDP in the hope that he might yet fulfil his ambition of becoming Vice Chancellor and Foreign Minister. But his summer visits to Poland, Czechoslovakia, Romania and the GDR have been widely regarded as opportunistic and unprincipled and confused his supporters. He continues to be an irritant rather than an impediment to the working of the coalition.

4. The March election was decided mainly on economic issues (the CDU claimed to be the party that could manage the recovery), but the dominant issue now is INF. Opposition to deployment is more extensive than in Britain and is based on a widespread fear that the number of nuclear weapons on German territory is already excessive

and dangerous. The "peace" movement, however, has yet to mobilise its full strength; the widely predicted "hot autumn" of demonstrations is scheduled to begin in October. For the moment, Genscher is leaving no stone unturned in his efforts to show that the German Government is genuine in its desire for an arms control agreement that would avoid INF deployment. The Bundestag debate on deployment is scheduled for 21 November.

5. The SPD is close to outright opposition to INF deployment, the final decision having been left to a special party conference from 19-20 November. The leadership find it difficult, if not impossible, to reconcile their recent responsibility in Government, their doubts about the seriousness of the US negotiating effort in Geneva, concern to avoid anti-Americanism and of course the need to keep the party together.

Western European Department
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