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FM BONN 271630Z JUN 84
TO IMMEDIATE FCO
TELEGRAM NUMBER 638 OF 27 JUNE
INFO ROUTINE UKDEL STRASBOURG, UKREP BRUSSELS

MIPT: MARTIN BANGEMANN, NEW FEDERAL ECONOMICS MINISTER

SUMMARY

1. BANGEMANN STARTS AS ECONOMICS MINISTER WITH TWO SERIOUS DISADVANTAGES: LACK OF ECONOMIC EXPERIENCE AND RECENT ABSENCE FROM THE PUBLIC EYE IN GERMANY. BUT HIS VIEWS SEEM COMPATIBLE WITH THOSE OF THE CDU AND HE OBVIOUSLY HAS ENERGY. HE WAS AN EFFECTIVE MEMBER OF THE EUROPEAN PARLIAMENT. BASICALLY ANGLOPHILE, BUT RECENTLY DISAPPOINTED WITH UK'S PERFORMANCE IN THE COMMUNITY.

DETAIL

2. BANGEMANN WAS BORN IN 1934. A LAWYER BY PROFESSION, HE JOINED THE FDP IN 1963 AND ROSE QUICKLY TO BECOME CHAIRMAN OF THE BADEN-WUERTTEMBERG PARTY (THE FDP'S MOST IMPORTANT REGION) IN 1974. HE WAS ELECTED TO THE BUNDESTAG IN 1969 AND BECAME A MEMBER OF THE FOREIGN AFFAIRS COMMITTEE.

3. GENSCHER MADE HIM FDP SECRETARY-GENERAL IN SEPTEMBER 1974. BANGEMANN NEVER SETTLED IN THE JOB. HE STANDS WELL TO THE RIGHT IN THE FDP AND WAS OUT OF TUNE WITH THE PARTY AT A TIME WHEN IT WAS COMMITTED TO A COALITION WITH THE SPD. HE FELT STRONGLY THAT THE FDP SHOULD KEEP OPEN THE OPTION OF FUTURE COALITION WITH THE CDU/CSU. HIS RELUCTANCE TO LEAD HIS PARTY IN TO THE BADEN-WUERTTEMBERG LAND ELECTION IN 1976 WITH A COMMITMENT TO THE SPD CAUSED GENSCHER TO ENGINEER HIS RESIGNATION AS SECRETARY-GENERAL. BANGEMANN WAS SUBSEQUENTLY REJECTED BY THE BADEN-WUERTTEMBERG PARTY AND RESIGNED AS REGIONAL CHAIRMAN IN 1978.

4. HE HAS SPENT THE LAST FOUR YEARS AS LEADER OF THE FDP PARLIAMENTARY GROUP IN THE EUROPEAN PARLIAMENT. AS A RESULT HE HAS BEEN OUT OF TOUCH WITH FEDERAL POLITICS AND OUT OF THE PUBLIC EYE. HE RE-EMERGED WITH HIS ENERGETIC CAMPAIGN AS THE FDP'S LEADING CANDIDATE IN THIS YEAR'S EUROPEAN ELECTION. ALTHOUGH THE FDP FAILED TO CLEAR THE 5 PER CENT HURDLE NECESSARY FOR REPRESENTATION AT STRASBOURG, THE BLAME FOR THIS HAS BEEN LAID ON GENSCHER, AND BANGEMANN HAS MANAGED TO EMERGE RELATIVELY UNSCATHED.

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5. UKREP BRUSSELS TELL US THAT BANGEMANN WAS AN EFFECTIVE MEMBER OF THE EUROPEAN PARLIAMENT AND LEADER OF THE FDP GROUP THERE. HE IS A GENUINELY DEDICATED EUROPEAN, A STRONG CHARACTER AND A MAN BRIMMING WITH BRIGHT IDEAS. HE PLAYED A LEADING ROLE IN FORMING THE FEDERATION OF EUROPEAN LIBERAL PARTIES.

6. BANGEMANN HAS NO EXPERIENCE OF ECONOMIC AFFAIRS. IN SO FAR AS HE HAS TAKEN AN INTEREST IN ECONOMICS, HIS VIEWS ARE LIBERAL. BUT IN A TYPICAL GERMAN WAY HE ALSO HAS A STRONG SOCIAL CONSCIENCE. HE IS A STRONG BELIEVER IN DETENTE AND AN OUTSPOKEN CRITIC OF REAGAN'S EAST/WEST POLICY.

7. BANGEMANN IS STOUT, BESPECTACLED AND FRIENDLY. LIKE GENSCHER, HE IS A COMPULSIVE TRAVELLER. BASICALLY ANGLOPHILE, HE HAS RECENTLY EXPRESSED OPEN DISAPPOINTMENT WITH BRITAIN'S ROLE IN EUROPE. HE EARNED SOME PUBLICITY HERE DURING THE EUROPEAN ELECTION CAMPAIGN WITH A CALL ON BRITAIN TO SETTLE THE BUDGET PROBLEM ON THE BASIS OF THE COMPROMISE OFFERED AT THE BRUSSELS COUNCIL OR ELSE LEAVE THE COMMUNITY. BUT AFTER FONTAINEBLEAU HE MAY GET OVER HIS IRRITATION WITH BRITAIN.

MALLABY

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MY TWO IPTS: BANGEMANN AND THE BONN COALITION

SUMMARY

1. KOHL'S FAILURE TO UNDERTAKE A WIDER RESHUFFLE WILL NOT HELP THE GOVERNMENT'S INDIFFERENT IMAGE. IT WILL BE HARD FOR BANGEMANN, DESPITE HIS QUALITIES, TO MAKE AN EARLY MARK.

DETAIL

2. BANGEMANN OWES HIS APPOINTMENT TO THE LACK OF ANY OTHER CREDIBLE FDP SUCCESSOR TO LAMBSDORFF. THE ALTERNATIVE - FOR THE FDP TO SURRENDER THE ECONOMICS MINISTRY IN EXCHANGE FOR ONE OR TWO LESS IMPORTANT ONES - HAS ALWAYS BEEN RULED OUT BY THE FDP. THE CHANCELLOR HAS ALSO RULED IT OUT, BECAUSE HE HAS WISHED TO AVOID REOPENING THE QUESTION OF STRAUSS'S RETURN TO THE FEDERAL CABINET. (ALTHOUGH THE ECONOMICS MINISTRY IS ONE THAT STRAUSS HAS BEEN REPUTED TO WANT, HIS IMMEDIATE INTEREST IN CABINET MEMBERSHIP MUST BE QUESTIONABLE BECAUSE OF HIS WIFE'S DEATH IN A MOTOR ACCIDENT AT THE WEEKEND.)

3. MANY PEOPLE THINK THAT THE CHANCELLOR SHOULD HAVE UNDERTAKEN A WIDER CABINET RESHUFFLE, TO GET RID OF SEVERAL OTHER MINISTERS, PERHAPS INCLUDING WOERNER, WHOSE PERFORMANCES HAVE BEEN DISAPPOINTING (MY TELNO 625). THEIR RETENTION WILL NOT IMPROVE THE RATHER TATTERED IMAGE OF THE GOVERNMENT.

4. BANGEMANN WILL NOW BE A KEY FIGURE. LAMBSDORFF WILL BE A HARD ACT TO FOLLOW AND IT WILL BE VERY DIFFICULT FOR BANGEMANN, WITH HIS ABSENCE OF ECONOMIC EXPERIENCE, TO MAKE AN EARLY AND SUCCESSFUL MARK. IN THE PAST FEW WEEKS, ECONOMIC POLICY AND PERFORMANCE HAVE LOOKED UNTIDY. THE IMPACT OF THE METAL INDUSTRY STRIKE, NOT YET OVER, REMAINS TO BE ASSESSED. THE GOVERNMENT HAVE SHOWN INDECISION AND LACK OF PROGRESS ON VARIOUS ELEMENTS IN THEIR ECONOMIC PROGRAMME.

5. BANGEMANN HAS SO FAR SAID LITTLE ABOUT HIS INTENTIONS AS MINISTER. HE HAS SUPPORTED LAMBSDORFF'S GENERAL LINE. AS A CHAMPION OF THE FREE MARKET ECONOMY, HE HAS SAID HE IS AGAINST STATE SUBSIDIES TO SUNSET INDUSTRIES BUT THAT CLOSURES SHOULD BE AS PAINLESS AS POSSIBLE. HE CLAIMS THAT LAMBSDORFF PAID TOO LITTLE ATTENTION TO THE PROBLEMS OF MEDIUM AND SMALL FIRMS AND THAT HE WILL DO MORE. HIS CENTRAL INTEREST HAS BEEN PROGRESS IN EUROPEAN INTEGRATION AND THAT MAY REMAIN HIS TOP PRIORITY AS ECONOMICS MINISTER.

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