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TO IMMEDIATE FCO

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INFO SAVING ATHENS BRUSSELS DUBLIN THE HAGUE LUXEMBOURG ROME

MOSCOW WARSAW ANKARA CGS IN THE FRG BMG BERLIN

THE POLITICAL OUTLOOK IN THE FRG

SUMMARY

1. KOHL KEEPS REITERATING HIS COMMITMENT TO FEDERAL ELECTIONS ON 6 MARCH, AND THEY NOW SEEM VIRTUALLY CERTAIN TO BE HELD. THE ACTIONS OF POLITICIANS ARE INCREASINGLY INFLUENCED BY THIS PROSPECT. FOLLOWING THE ELECTIONS, THE CDU/CSU ARE CERTAIN TO BE THE LARGEST PARTY IN THE BUNDESTAG: THEY ARE LIKELY TO FORM THE NEXT GOVERNMENT ALONE OR IN COALITION WITH THE FDP. BUT THE LATTER'S CHANCES OF REMAINING IN THE BUNDESTAG AT PRESENT LOOK DIM.

2. RECENT OPINION POLLS GIVE THE CDU 49 TO 51 PER CENT OF THE VOTE, THE SPD 38 TO 42 PER CENT AND THE FDP SLIGHTLY UNDER 4 PER CENT. IF THE FDP COULD PULL ITSELF TOGETHER FOLLOWING ITS ROWS ABOUT GENSCHER'S SWITCH OF COALITION PARTNERS, ITS RATING COULD IMPROVE AND IT MIGHT SURMOUNT 5 PER CENT AND REMAIN IN THE BUNDESTAG AFTER THE ELECTIONS. BUT SO FAR IT SHOWS NO SIGN OF PRESENTING A MORE UNITED FRONT. WITHOUT THE FDP KOHL WOULD HAVE IN THE NEXT GOVERNMENT TO GIVE GREATER PROMINENCE TO THE CSU AND RELUCTANTLY TO FALL IN WITH STRAUSS'S WISH TO BECOME VICE-CHANCELLOR AND FOREIGN MINISTER.

3. THERE IS A CHANCE THAT THE ELECTIONS COULD PRODUCE A HUNG PARLIAMENT WITH THE ANTI-NUCLEAR GREENS HOLDING THE BALANCE. BUT FOR THIS THE SPD WOULD NEED TO DO MUCH BETTER THAN THE OPINION POLLS ARE INDICATING. AND IT SEEMS MORE LIKELY THAT THE GREENS' VOTE WILL DECLINE THAN INCREASE BETWEEN NOW AND MARCH: THEY MAY NOT MAKE IT INTO THE BUNDESTAG.

4. THE SPD'S NEW CHANCELLOR-CANDIDATE, VOGEL, IS TRYING TO WIN VOTES AT THE CENTRE AND SHOWS LITTLE SIGN OF MOVING HIS PARTY TO THE LEFT BEFORE THE ELECTIONS. ALTHOUGH THE THEME OF IMF WILL UNDOUBTEDLY BE PRESENT IN THE ELECTION CAMPAIGN, VOGEL APPEARS NOT TO WANT IT TO BE A CENTRAL ISSUE, NOT LEAST BECAUSE ITS AIRING WOULD DIVIDE HIS PARTY. BUT LATER THE SPD MAY WELL MOVE LEFT AND BECOME INCREASINGLY NEGATIVE ABOUT IMF STATIONING IF, AS IS LIKELY, THEY REMAIN IN OPPOSITION AFTER THE ELECTIONS.

5. THE SITUATION IS COMPLICATED BY THE BREWING SCANDAL ABOUT DONATIONS TO POLITICAL PARTIES BY THE MAMMOTH FLICK CONCERN. LAMBSDORFF MAY HAVE TO FACE LEGAL PROCEEDINGS AND IN THAT CASE MIGHT HAVE TO RESIGN.

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6. THE PRESENT GOVERNMENT, NOW IN OFFICE FOR TWO MONTHS, HAS DONE NOTHING VERY POSITIVE AND MADE NO MISTAKES. KOHL'S EFFORTS TO ESTABLISH HIMSELF ON THE WORLD SCENE HAVE ATTRACTED FAVOURABLE ATTENTION IN THE FRG AND THERE IS SATISFACTION AT THE IMPROVEMENT OF RELATIONS WITH THE USA WHICH RESULTED FROM HIS WASHINGTON VISIT. NO EARLY SUCCESSES ARE IN SIGHT ON THE ECONOMIC FRONT. UNEMPLOYMENT WILL RISE EVEN FURTHER. HOPES FOR AN UPTURN IN GROWTH KEEP ON PROVING PREMATURE. BUT THE GOVERNMENT ARE EXPECTED BY MID-DECEMBER TO PASS THROUGH THE BUNDESTAG A 1983 BUDGET WHICH CONTAINS MODEST ENCOURAGEMENT TO INDUSTRY AND DOES NOT CUT SOCIAL PROVISIONS AS MUCH AS SOME HAD FEARED. THE DISSOLUTION OF THE BUNDESTAG PRIOR TO ELECTIONS MAY COME AS EARLY AS 17 DECEMBER. FROM THEN ON GERMAN MINISTERS WILL BE INCREASINGLY ABSORBED IN THE ELECTION CAMPAIGN. THE PROSPECTS OF THEIR DEVOTING MUCH EFFORT TO THE EC IN THE FIRST HALF OF THEIR PRESIDENCY ARE SLIGHT.  
FCO PLEASE PASS TO ALL SAVING ADDRESSEES EXCEPT CGS IN THE FRG AND BMG BERLIN

TAYLOR

(REPEATED AS REQUESTED)

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WED