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INFO ROUTINE CONSULATES-GENERAL IN FRG, CICC(G), EAST BERLIN

INFO ROUTINE BMG BERLIN, MOSCOW

(COLLAR)

GERMAN POLITICAL SCENE

SUMMARY

1. KOHL CAN LOOK FORWARD TO HIS CHRISTMAS BREAK. NO SERIOUS DISAGREEMENTS WITHIN THE COALITION, WHICH LOOKS FAR BETTER PREPARED THAN THE OPPOSITION FOR THE ELECTION CAMPAIGN YEAR 1986. THE ECONOMY IS DOING WELL BY ANY STANDARDS. ANGLO-GERMAN BILATERAL RELATIONS IN GOOD SHAPE.

DETAIL

2. KOHL'S NATURAL RECIPE FOR DEALING WITH A POLITICAL PROBLEM IS TO BEHAVE AS IF IT WERE NOT THERE. FOR ONCE HIS CHEERY OPTIMISM IS WELL-FOUNDED. HIS COALITION HAS SUFFERED NO SIGNIFICANT DAMAGE FROM RECENT STORMS OVER SDI PARTICIPATION, THE STRIKE LAW, ETC. STRAUSS HAS GONE RATHER QUIET ON THE TOUCHLINE, THE FDP HAVING APPARENTLY FINESSED HIM ON SDI. DOUBTS ABOUT THE POLITICAL TOUCH OF SOME MINISTERS (EG ZIMMERMANN) CONTINUE, BUT THEY POSE NO THREAT TO THE STABILITY OF THE COALITION AS A WHOLE. KOHL'S PARTY IS ALSO SOLIDLY BEHIND HIM. I CAN UNDERSTAND WHY HE TOLD THE PRIME MINISTER THAT HE ONLY WISHED THE BUNDESTAG ELECTIONS WERE DUE IN 1986 RATHER THAN 1987.

3. THE SPD ARE NOT IMPRESSIVE CHALLENGERS. ALTHOUGH UNANIMOUSLY ENDORSED AS CHANCELLOR-CANDIDATE BY THE PARTY EXECUTIVE, RAU STILL CUTS AN UNCONVINCING FIGURE. HIS PERSONAL POPULARITY HAS NOW SLIPPED BELOW KOHL'S IN THE LATEST OPINION POLL. THERE IS SOMETHING RATHER BRITTLE ABOUT HIS STYLE. HIS HEART DOES NOT SEEM TO BE IN WHAT WILL UNDOUBTEDLY BE AN UPHILL STRUGGLE IN 1986. HIS PARTY REMAINS DIVIDED ON KEY ISSUES SUCH AS DEFENCE POLICY.

4. THE GREENS LOOK LESS AND LESS LIKE A SERIOUS POLITICAL FORCE. THEIR CONFERENCE LAST WEEK WAS EFFECTIVELY ABANDONED FOR A DAY IN FAVOUR OF A WELL PUBLICISED EXCURSION TO BAVARIA TO PROTEST AGAINST THE CONSTRUCTION OF A NUCLEAR REPROCESSING PLANT: THIS BEING ONE OF THE FEW ISSUES ON WHICH ALL SECTIONS OF THE PARTY COULD UNITE. THE GREENS' SURVIVAL AT BUNDESTAG LEVEL IN 1987 LOOKS OPEN TO QUESTION.

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5. DESPITE HINTS OF DISSENSION AND RIVALRY BETWEEN BANGEMANN AND GENSCHER, THE FDP ARE IN A BOUYANT MOOD. THE RECENT RATING IN THE OPINION POLLS HAS BEEN WELL ABOVE THE 5 PER CENT HURDLE. BANGEMANN REMINDED ME YESTERDAY THAT THE FDP ARE THE ONLY PARTY TO HAVE INCREASED THEIR SHARE OF THE VOTE IN ALL THREE LAND ELECTIONS THIS YEAR. THE FINE PRINT OF YESTERDAY'S CABINET DECISION ON SDI WAS A VICTORY FOR THEIR FABIAN TACTICS. THEY WERE ALSO ABLE TO GET THEIR WAY, DESPITE OPPOSITION FROM THE UNIONS AND THE LIBERAL WING OF THE CDU, IN PRESSING FOR REFORM OF LAWS ON STRIKES.

6. THE ECONOMY CONTINUES TO PICK UP, WITH ONE OF THE BIG BANKS RECENTLY FORECASTING GROWTH AT 4 PER CENT NEXT YEAR AND BANGEMANN'S OWN GUESS NOT FAR BELOW THIS. GENSCHER, AS ALWAYS A JUMP AHEAD OF HIS COLLEAGUES, FEARS A SLOWING DOWN BY THE END OF 1986, WITH ECONOMIC EXPECTATIONS (PARTICULARLY FOR THOSE AT THE MARGIN OF EMPLOYMENT) COMMENSURATELY DEPRESSED. EVEN SO, THE SHORT-TERM PROSPECTS ARE GOOD.

ANGLO-GERMAN RELATIONS

7. THESE FLEW THROUGH A THUNDERSTORM BEFORE AND AT MILAN IN JUNE. SINCE THEN THE RELATIONSHIP HAS RECOVERED, AND YOU WILL HAVE SEEN HOW GOOD WAS THE MOOD AT LAST MONTH'S SUMMIT IN LONDON. WE DO NOT AND WILL NOT ALWAYS SEE EYE TO EYE ON EC QUESTIONS, BUT COOPERATION BETWEEN OUR DELEGATIONS AT THE LUXEMBOURG COUNCIL SEEMS TO HAVE BEEN EXEMPLARY. ON SECURITY POLICY TOO THERE HAS BEEN A CLOSE IDENTITY OF VIEWS, AND A GOOD DEAL OF JOINT ACTION IN RECENT MONTHS, IN THE FRAMEWORK OF TRANSATLANTIC DISCUSSIONS PRE-GENEVA, AND IN SPECIALIST FIELDS SUCH AS MBFR.

8. I SAID SOME OF THIS YESTERDAY AT CHRISTMAS CALLS ON BANGEMANN, GENSCHER AND TELTSCHIK. THEY ALL RESPONDED IN THE SAME KEY, ESPECIALLY GENSCHER WHO EMPHASISED HOW MUCH HE VALUED HIS PERSONAL RELATIONSHIP WITH YOU. HE PLANS TO INVITE YOU TO AN EARLY MEETING IN GERMANY, PROBABLY OUTSIDE BONN, WHERE YOU COULD AGAIN DISCUSS THE WORLD IN DEPTH AND WITHOUT TIME-PRESSURE.

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