

GRS 710

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FM BONN 071430Z SEP 83

TO PRIORITY FCO

TELEGRAM NUMBER 810 OF 7 SEPTEMBER

INFO SAVING ATHENS BRUSSELS EC BRUSSELS EMBASSY COPENHAGEN  
DUBLIN LUXEMBOURG PARIS ROME THE HAGUE WASHINGTON MOSCOW UKDEL NATO  
BMG BERLIN EAST BERLIN DUSSELDORF FRANKFURT MUNICH STUTTGART  
HAMBURG HANNOVER CHCC(G)

FRG: THE INTERNAL POLITICAL SCENE

SUMMARY

1. THE END OF THE LONG SUMMER BREAK FINDS THE FEDERAL GOVERNMENT IN CONFIDENT MOOD, BUT IT FACES DIFFICULT PROBLEMS OVER UNEMPLOYMENT AND INF. THE CHANCELLOR HAS COME UNDER CRITICISM OVER THE SUMMER FOR HIS ALLEGED LACK OF FIRM LEADERSHIP; SQUABBLING BETWEEN STRAUSS AND THE FDP HAVE ALSO TARNISHED THE GOVERNMENT'S IMAGE. BUT THE PROBLEMS FACING THE OPPOSITION ARE MORE ACUTE. THE IMMEDIATE HURDLE FOR THE GOVERNMENT IS THE HESSE ELECTION. IF THE FDP FAIL TO GET BACK INTO THE LANDTAG, IT WILL CALL INTO QUESTION THEIR VIABILITY AS A NATIONAL PARTY AND THERE COULD BE PROBLEMS FOR GENSCHER.

DETAIL

2. THE PACE OF POLITICAL ACTIVITY HAS STEPPED UP AGAIN IN BONN THIS WEEK, WITH THE BUNDESTAG BACK IN SESSION AFTER THE SUMMER BREAK. THE FEDERAL GOVERNMENT IS TAKING A CONFIDENT APPROACH TO THE AUTUMN'S PROBLEMS, OF WHICH THE ECONOMY AND THE NUCLEAR DEBATE SEEM LIKELY TO PREOCCUPY THEM MOST.

3. THE GOVERNMENT'S PROFESSED SATISFACTION WITH PROGRESS IN MANAGING THE ECONOMY (MY TEL 807) IS PROBABLY JUSTIFIED. SOME SENIOR MEMBERS OF THE CDU HAVE EXPRESSED PUBLIC DOUBTS ABOUT THE DIRECTION OF POLICY, AND THE CHANCELLOR HAS COME UNDER ATTACK FROM THE CONSERVATIVE PRESS FOR HIS ALLEGED LACK OF A CLEAR ECONOMIC CONCEPT AND HIS FAILURE SO FAR TO GIVE A LEAD. BUT THE GOVERNMENT HAVE MADE GOOD PROGRESS IN AGREEING ON SEVERE EXPENDITURE CUTS AND LOOK LIKE SUCCEEDING IN THEIR EXPRESSED INTENTION TO REDUCE GOVERNMENT BORROWING; AND THE BUDGET SEEMS LIKELY TO GO THROUGH PARLIAMENT THIS AUTUMN IN RECORD TIME WITH LITTLE OPPOSITION. UNEMPLOYMENT WILL PROBABLY LOOM LARGER AMONG THEIR WORRIES IF, AS SEEMS INEVITABLE, IT RISES AGAIN DURING THE AUTUMN. BUT THE GERMANS ARE NOT ALONE AMONG WESTERN GOVERNMENTS IN FACING THIS DIFFICULTY.

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4. AFTER A WOBBLY PATCH IN JULY WHEN BOTH KOHL AND GENSCHER SEEMED TO BE PUSHING OUT AHEAD OF THE NATO LINE ON COMPROMISES IN THE INF NEGOTIATIONS IN GENEVA, BOTH HAVE SINCE THEIR RETURN TO BONN FIRMLY RESTATED THEIR SUPPORT FOR THE NATO POSITION. BUT PRIVATELY THEY WILL CONTINUE TO PRESS FOR NEW OFFERS ON ALTERNATIVES IN THE ARMS CONTROL FIELD. THERE CAN HOWEVER BE NO DOUBT THAT THE GERMANS WILL GO AHEAD WITH DEPLOYMENT IF NECESSARY AND WILL REFUSE TO BE DEFLECTED FROM THIS BY THE PROSPECT OF WIDESPREAD, AND POSSIBLY VIOLENT, DEMONSTRATIONS.

5. CHANCELLOR KOHL'S PERSONAL REPUTATION HAS LOST GROUND A LITTLE DURING THE SUMMER, AND HE WILL NEED TO NOTCH UP SOME ACHIEVEMENTS DURING THE AUTUMN IF HE HAS TO RECOVER IT. THERE HAS BEEN SOME COMMENT, REFLECTED IN THE PRESS, ABOUT THE LOOSENESS OF THE REIN WITH WHICH HE DIRECTS THE GOVERNMENT, INCLUDING EVER CRITICISM OF HIM FOR HAVING TAKEN A WHOLE MONTH'S HOLIDAY, AND MANY PEOPLE ARE BEGINNING TO FEEL THAT THE GOVERNMENT HAS NOT YET DEMONSTRATED A CLEAR SENSE OF DIRECTION OR PURPOSE. KOHL HIMSELF HOWEVER CONTINUES TO EXUDE CALM CONFIDENCE. STRAUSS'S CONTINUED EFFORTS TO EMBARRASS AND DISCREDIT GENSCHER AND THE FDP - INCLUDING HIS PART IN THE GDR CREDIT AND HIS SUBSEQUENT VISITS TO EASTERN EUROPE - ARE UNLIKELY TO ASSIST HIM IN HIS WELL-DISGUISED AIM OF SUPPLANTING GENSCHER AS FOREIGN MINISTER: BUT THEY HAVE NOT HELPED THE COALITION TO PRESENT A UNITED FRONT AND HAVE ENCOURAGED THE FEELING THAT KOHL SHOULD BE PROVIDING A STRONGER LEADERSHIP. KOHL CAN NEVERTHELESS TAKE COMFORT FROM THE FACT THAT THE OPPOSITION PARTIES ARE IN MUCH GREATER DISARRAY. THE SPD REMAINS DIVIDED OVER THE QUESTION OF INF NEGOTIATIONS AND HAS FAILED TO PRODUCE A SENSIBLE ALTERNATIVE ECONOMIC STRATEGY. THE GREENS TOO ARE DIVIDED AND THEIR PUBLIC IMAGE HAS SUFFERED RECENTLY FROM A SERIES OF SCANDALS.

5. ONE IMMEDIATE HURDLE FOR THE GOVERNMENT IS THE LAND ELECTIONS IN HESSE AND IN BREMEN ON 25 SEPTEMBER. THE ONE IN HESSE IS MUCH THE MORE IMPORTANT SINCE, IF THE FDP FAIL TO CLEAR THE 5 PER CENT HURDLE THERE TO GET BACK INTO THE LANDTAG, IT WILL BE THEIR SIXTH SUCH FAILURE IN 12 MONTHS AND WILL CALL INTO QUESTION THEIR VIABILITY AS A NATIONWIDE PARTY. STRAUSS AND THE CSU WOULD CERTAINLY TRY TO EXPLOIT THIS SITUATION TO INCREASE THEIR INFLUENCE IN THE FEDERAL COALITION, AND GENSCHER'S LIFE WOULD BE MADE EVEN MORE DIFFICULT. BUT ALTHOUGH THERE WOULD BE PRESSURE FOR HIM TO RESIGN AS FDP PARTY CHAIRMAN IN SUCH CIRCUMSTANCES, THERE IS NO OBVIOUS ALTERNATIVE TO HIM: AND KOHL WOULD CERTAINLY DO HIS UTMOST TO KEEP GENSCHER IN OFFICE AS DEPUTY CHANCELLOR AND FOREIGN MINISTER.

FCO PLEASE PASS SAVING TO ABOVE ADDRESSEES EXCEPT BMG BERLIN  
ALL CG'S AND CICC(G).

TAYLOR  
FCO/WHITEHALL  
WED

(REPEATED AS REQUESTED)

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