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FRAME GENERAL

PRIME MINISTER'S VISIT TO BONN, 27 NOVEMBER: MAASTRICHT

SUMMARY

1. GERMAN POLITICAL WORLD AND MEDIA SWINGING BETWEEN PESSIMISM AND OPTIMISM. KOHL'S OBJECTIVE IS A PACKAGE ON EMU SUFFICIENTLY SUBSTANTIAL TO ENABLE HIM TO SELL IT AND EMU TO THE BUNDESTAG. HIS STAFF HAVE BEEN HINTING AT SOME CHANGES OF POSITION. NEED TO PRESS HIM FURTHER. SOCIAL AFFAIRS COULD BE THE TRICKIEST ISSUE.

DETAIL

2. TYPICALLY FOR GERMANY, THE MOOD HERE IS SWINGING BETWEEN EXCESSIVE PESSIMISM ABOUT THE LIKELY CONTENT OF THE MAASTRICHT OUTCOME AND RELATIVE OPTIMISM THAT SOMETHING USEFUL WILL BE ACHIEVED. THERE IS A WIDESPREAD FEELING THAT - WITH THE PROSPECT OF ENLARGEMENT AND A REVIVAL OF NATIONALISM IN PARTS OF EUROPE - MAASTRICHT IS A UNIQUE CHANCE TO ACHIEVE AN IMPORTANT MOVE IN EUROPEAN INTEGRATION. MANY GERMANS, KOHL AMONG THEM, BELIEVE THAT EUROPEAN UNIFICATION MUST FOLLOW GERMAN, SO THAT GERMANY IS IRREVERSIBLY BOUND INTO EUROPE AND THERE IS NO RISK OF A REVERSION TO NATIONAL POLICIES, WITH GERMANY LOSING INTEREST IN RESPECTING THE POSITIONS AND PRIORITIES OF OTHERS. AT THE SAME TIME THERE HAS BEEN, ESPECIALLY AFTER THE CONCLAVE, DESPONDENCY ABOUT THE RESULTS WHICH SEEM LIKELY ON EPU. MANY OBSERVERS FEEL THAT THE EPU TREATY WILL NOT ACHIEVE THE SIGNIFICANT INCREASE IN INTEGRATION WHICH THE GERMANS HAVE BEEN SEEKING, AND THAT KOHL'S AIM OF ACHIEVING A BROAD BALANCE BETWEEN EPU AND EMU WILL NOT BE MET.

3. THE PRESS, NO DOUBT RESPONDING TO BRIEFING, HAS LED MOST GERMANS TO THE VIEW THAT THE MAIN OBSTACLE TO PROGRESS IN THE DIRECTION THE GERMANS DESIRE HAS AGAIN BEEN THE UK, SPECIFICALLY THROUGH OPPOSITION TO A FEDERAL EUROPE, TO INCREASED POWERS FOR THE EP, AND TO MAJORITY VOTING AND COMMUNITY COMPETENCE IN FOREIGN

AND INTERIOR POLICY. AT THE SAME TIME, THERE HAS BEEN A GROWING REALISATION THAT, WITH A GENERAL ELECTION AHEAD, THE PRIME MINISTER FACES A DIFFICULT TASK IN MAINTAINING CONSENSUS IN THE RUN-UP TO MAASTRICHT. THERE APPEARS TO BE A GENUINE AFFECTION FOR THE PRIME MINISTER IN GERMANY, AND A FEELING THAT WITHOUT THE DOMESTIC PROBLEMS HE WOULD BE PREPARED TO MOVE FURTHER DOWN THE EUROPEAN ROAD. BUT THERE IS ALSO A FEELING THAT IF MAASTRICHT FAILS IT WILL BE BRITAIN'S FAULT.

4. KOHL HAS TO BALANCE THESE COMPETING CONSIDERATIONS. HE NEEDS MAASTRICHT TO BE A SUCCESS: THAT REQUIRES FOR HIM A BROAD BALANCE BETWEEN EPU AND EMU, AND ESPECIALLY MOVEMENT ON THE EP, CFSP AND INTERIOR MATTERS. ON THE OTHER HAND, HE RECOGNISES THAT BRITAIN HAS A SERIOUS DIFFICULTY, AND DOES NOT WANT TO ISOLATE US OR PUSH US TO THE POINT OF USING OUR VETO. I BELIEVE THAT HE WILL BE PREPARED TO ACCEPT A FAIRLY LIMITED OUTCOME ON EPU - SEEKING A FEW POINTS MORE THAN SO FAR SEEM TO BE NEAR TO AGREEMENT - AND WILL TRY TO SELL THE BEST RESULT HE CAN GET AS A SUCCESS IN GERMANY. BUT THE BUNDESTAG AND THE MEDIA ARE WISE TO THIS GAME AND SOME WILL BE ON THE LOOK-OUT FOR AN OPPORTUNITY TO SAY THAT KOHL COULD HAVE GOT MORE. RATIFICATION OF THE TREATIES, ESPECIALLY EMU, MAY NEED A TWO-THIRDS MAJORITY IN THE BUNDESTAG AND WILL NEED THE AGREEMENT OF THE LAENDER (THROUGH THE BUNDESRAT). SO, ALTHOUGH REFUSAL BY THE BUNDESTAG TO RATIFY A EUROPEAN TREATY WOULD BE A BIG SURPRISE, RATIFICATION IS NOT A FOREGONE WALK-OVER.

5. ON THE INDIVIDUAL SUBJECTS WITHIN EPU, WE HAVE DETECTED SOME RECENT MOVEMENT BY GERMANY TOWARDS OUR POSITIONS ON A LIMITED LEGISLATIVE PROCEDURE FOR THE EUROPEAN PARLIAMENT (THOUGH THE GERMANS WANT IT TO EXTEND TO A FEW MORE SUBJECTS), ON INTERIOR POLICY AND PERHAPS CFSP. THE PRIME MINISTER, I SUGGEST, SHOULD SEEK CONFIRMATION OF THIS MOVEMENT AND PROBE FOR FLEXIBILITY IN OTHER AREAS. ON DEFENCE, GERMAN OFFICIALS ARE BEING INTRANSIGENT IN THE WEU DISCUSSIONS ABOUT THE RELATIONSHIP BETWEEN WEU AND EUROPEAN UNION. I SUGGEST THAT THE PRIME MINISTER SHOULD SPEAK EMPHATICALLY TO KOHL ON THIS. THE PROBLEM FURTHEST FROM SOLUTION IS STILL SOCIAL AFFAIRS. GERMAN EMPLOYERS' ORGANISATIONS SHARE BRITISH DISTASTE FOR EXTENSIONS OF COMPETENCE AND QMV, BUT DO NOT SAY SO IN PUBLIC, SINCE THEY ARE ON THE RECORD AS AGREEING WITH GOVERNMENT AND TRADE UNIONS ON THE NEED FOR PROGRESS ON THE SOCIAL SIDE. THERE IS LITTLE PUBLIC DISCUSSION HERE OF THIS DOSSIER: THAT GIVES KOHL SOME ROOM FOR MANOEUVRE, BUT HE WILL WANT TO BE ABLE TO POINT TO SOME CONCRETE RESULTS. MANY GERMANS SEEM TO ASSUME THAT BRITAIN WOULD NOT IN THE LAST ANALYSIS ISOLATE ITSELF

ON THIS ISSUE, AS IT DID UNDER MRS THATCHER. THE PRIME MINISTER MAY WANT TO DESCRIBE OUR DIFFICULTIES FRANKLY TO KOHL AND TO LEAVE HIM IN NO DOUBT THAT THE SOCIAL ISSUE COULD BE THE ROCK ON WHICH MAASTRICHT MIGHT FOUNDER.

6. MANY GERMANS PROFESS NOT TO UNDERSTAND OUR OBJECTIONS TO 'FEDERALISM', ARGUING NOT ENTIRELY HONESTLY THAT IT MEANS DECENTRALISATION. BUT THEY KNOW PERFECTLY WELL THAT REMOVAL OF THE WORD IS ESSENTIAL FOR US AND, THOUGH THEY MAY INTEND TO MAKE US PAY FOR ITS DELETION, I BELIEVE THAT THEY WILL LET IT GO IN THE END.

7. ON COHESION, INDUSTRIAL POLICY AND SUBSIDIARITY, THE ANGLO-GERMAN ALLIANCE SHOULD HOLD UNTIL THE LAST ROUND, BUT I DOUBT THAT KOHL WILL BE AS FIRM AS WE SHOULD WISH ON ANY OF THEM AT THE END. THIS ARGUES FOR TRYING TO TIE UP SUITABLE LANGUAGE AT OFFICIAL LEVEL OR IN THE CONCLAVE. I STILL THINK WE SHOULD BE ABLE TO MAKE COMMON CAUSE WITH THE GERMANS ON SUBSIDIARITY. THE MORE INTENSE PRESSURE FROM THE LAENDER FOR OUR SORT OF LANGUAGE IS A HELP.

8. ON EMU, KOHL NOW APPEARS TO ACCEPT THAT THE QUORUM MECHANISM FOR MOVING TO STAGE 3 WOULD PREVENT BLACKMAIL BY SMALL MEMBER STATES. BUT HIS ADVISERS REMAIN RIGIDLY OPPOSED TO AN EXCLUSION CLAUSE OF GENERAL APPLICABILITY. I BELIEVE THAT THE FRENCH, FEARING A LATER GERMAN DECISION TO OPT OUT OF EMU, WILL HAVE REINFORCED THIS POSITION DURING THEIR BILATERAL SUMMIT. BUT SOME GERMAN OFFICIALS (EG. LAUTENSCHLAGER - MY TELNO 887) HAVE HINTED THAT THEY MIGHT LIVE WITH GENERAL APPLICABILITY IF THE REFERENCE TO NATIONAL PARLIAMENTS WAS DELETED FROM THE DUTCH TEXT. IT IS WORTH TRYING THAT ON KOHL.

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