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No 10 DSI

FONTAINEBLEAU -

GERMAN GOVERNMENT STATEMENT AND FURTHER PRESS REACTION

SUMMARY

1. FEDERAL GOVERNMENT, IN STATEMENT TO PARLIAMENT AND AS REPORTED BY PRESS, UPBEAT ABOUT ACHIEVEMENTS OF FONTAINEBLEAU IN COMPLETING THE STUTTGART PACKAGE AND PAVING THE WAY FOR NEW INITIATIVES IN EUROPE. PRESS COMMENT BY COMPARISON LESS EUPHORIC, WITH ATTENTION TO GERMAN CONCESSIONS AND FUTURE UNCERTAINTIES.

DETAIL

2. CHANCELLOR KOHL BEGAN HIS STATEMENT TO THE BUNDESTAG THIS MORNING WITH AN ASSESSMENT OF THE RESULTS OF THE EUROPEAN COUNCIL. BEGINNING WITH A TRIBUTE TO THE FRENCH PRESIDENCY AND TO PRESIDENT MITTERRAND IN PARTICULAR, HE SAID FONTAINEBLEAU HAD VINDICATED THE 'STUTTGART CONCEPT', SHOWING THAT THE GERMAN STRATEGY FOR A NEW IMPULSE TO REVIVE THE COMMUNITY HAD TACKLED THE CENTRAL PROBLEMS. HE DESCRIBED THE BRITISH BUDGETARY REBATE PROBLEM AS HAVING BEEN SOLVED 'IN A FAIR WAY', WHICH HE CLAIMED WAS THANKS NOT LEAST TO GERMAN COMPROMISE PROPOSALS. HE ALSO THANKED HIS COMMUNITY PARTNERS FOR HAVING SHOWED 'PRACTICAL SOLIDARITY' WITH THE FEDERAL REPUBLIC IN THE MATTER OF GERMAN AGRICULTURAL AIDS. HE MADE NO REFERENCE TO THE AGREEMENT ON THE REDUCED GERMAN CONTRIBUTION TO COMPENSATION FOR THE UK.

3. KOHL'S MAIN THEME WAS THAT THE WAY WAS NOW CLEAR FOR NEW INITIATIVES IN THE DEVELOPMENT OF THE COMMUNITY. OBJECTIVES WHICH HE CITED IN PARTICULAR WERE POLITICAL UNION, COOPERATION IN SECURITY POLICY AND ECONOMIC INTEGRATION. THIS MEANT COMPLETION OF THE INTERNAL MARKET, A RETURN TO MAJORITY DECISIONS IN THE COUNCIL, COMMON EFFORTS IN THE SPHERES OF RESEARCH AND SPACE TECHNOLOGY AND, 'WITH SPECIAL PRIORITY', ENVIRONMENTAL PROTECTION. KOHL ALSO EMPHASISED 'CITIZENS' EUROPE' (A PHRASE WHICH HE IMPLIED HE HAD COINED), IN WHICH HE PRESENTED HIMSELF AND MITTERRAND AS PIONEERS WITH THEIR COMMITMENT TO RELAXATION OF BORDER CONTROLS. HE ALSO MENTIONED SPECIFICALLY MITTERRAND'S STRASBOURG SPEECH AND THE BRITISH MEMORANDUM ON THE FUTURE OF EUROPE AS VALUABLE POINTERS FOR THE FUTURE DIRECTION OF THE COMMUNITY. EMPHASISING THE NEED FOR PRACTICAL MEASURES IN ALL AREAS OF POLICY RATHER THAN LOFTY THEORISING WHICH WAS DIVORCED FROM REALITY, KOHL CONCLUDED WITH A CALL FOR VARIABLE GEOMETRY WITHIN WHICH THOSE MEMBER STATES WHO WERE READY TO TAKE EUROPE FORWARD SHOULD. HE ADDED EXPLICITLY THAT THIS MUST NOT MEAN THE CREATION OF A 'TWO CLASS SYSTEM': EACH MEMBER STATE COULD PARTICIPATE IN EACH INITIATIVE ON EACH OCCASION.

14.

4. TODAY'S PRESS, WHICH OF COURSE PRE-DATES KOHL'S STATEMENT, CONTINUES TO REPORT GOVERNMENT SATISFACTION WITH THE SETTLEMENT BUT, THOUGH SOME PAPERS HAIL THE COUNCIL AS AN UNQUALIFIED SUCCESS, A GOOD DEAL OF SCEPTICISM IS ALSO VOICED ABOUT BOTH THE COUNCIL AND THE GERMANS' ROLE IN IT. THE SUGGESTION THAT FONTAINEBLEAU REFLECTED A NEW EUROPEAN SPIRIT RATHER THAN OLD NATIONAL EGOTISMS IS QUESTIONED, AND THERE ARE COMPLAINTS OF A LACK OF CONCRETENESS IN TALK ABOUT FUTURE OBJECTIVES. THE FEDERAL GOVERNMENT IS GRUDGINGLY APPLAUDED FOR HAVING SECURED A REDUCTION IN THE GERMAN CONTRIBUTION TO BRITISH REBATES BUT CRITICISED FOR HAVING MANOEUVRED ITSELF INTO THE POSITION OF DEMANDEUR ON AGRICULTURAL SUBSIDIES - LUEKE IN WELT "THATCHER HAS HER BILLIONS AND KOHL HAS PERMISSION TO SPEND HIS". THE FARMERS' SUBSIDY CONTINUES TO BE WIDELY CRITICISED: INTER ALIA BUNDESBANK PRESIDENT POEHL'S CRITICISM IS NOTED. LARGELY IN THE CONTEXT OF THE SUBSIDY THE FONTAINEBLEAU SETTLEMENT IS NOTED AS BEING EXPENSIVE TO THE GERMAN TAX PAYER.

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