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DUBLIN, LUXEMBOURG, PARIS, ROME, THE HAGUE

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BUNDES RAT DEBATE ON EUROPE: 8 FEBRUARY

SUMMARY

1. KOHL, IN MAJOR SPEECH ON EUROPE TO UPPER CHAMBER OF GERMAN PARLIAMENT, SAYS 1985 IS DECISIVE YEAR FOR EUROPEAN INTEGRATION, BUT DISTANCES HIMSELF FROM SPINELLI DRAFT TREATY, AND IS UNEXPECTEDLY CAUTIOUS ON MAJORITY VOTING AND POWERS FOR THE PARLIAMENT. HE REAFFIRMS THE GERMAN LINKAGE BETWEEN THE TIMING OF ENLARGEMENT AND THE INTRODUCTION OF NEW OWN RESOURCES. HE AVOIDS ADOPTING A POSITION ON THE PRESENT CAP PRICE FIXING ROUND. NO MENTION ANYWHERE IN THE SPEECH OF FRANCE OR FRANCO-GERMAN COOPERATION AS THE MOTOR FOR EUROPE.

DETAIL

2. THE BUNDES RAT (UPPER CHAMBER OF LAENDER REPRESENTATIVES) HELD A DEBATE ON EUROPE TODAY, AT WHICH IT TOOK NOTE OF THE INTERIM REPORTS OF THE AD HOC COMMITTEES ON INSTITUTIONAL AFFAIRS AND A PEOPLE'S EUROPE. IN HIS OPENING SPEECH KOHL SAID THAT DESPITE DIFFICULTIES OVER DETAILS, RECENT DEVELOPMENTS GAVE GROUNDS FOR CONFIDENCE. HE WAS CONVINCED THAT WE HAD A HISTORIC OPPORTUNITY TO EXTEND AND DEEPEN THE COMMUNITY. THE STUTTGART PACKAGE PUT TOGETHER BY THE GERMAN PRESIDENCY HAD LED TO SUCCESSFUL CONCLUSIONS AT FONTAINEBLEAU.

1985 BUDGET AND NEW OWN RESOURCES

3. THE FUTURE FINANCING OF THE EC HAD, KOHL SAID, BEEN SECURED ON AN ACCEPTABLE LONG-TERM BASIS. THE VAT CEILING WOULD BE RAISED TO 1.4 PER CENT WITH EFFECT FROM 1 JANUARY 1986. AT GERMAN INSISTENCE THE RAISING OF THE CEILING HAD BEEN LINKED TO ENLARGEMENT. THE FEDERAL GOVERNMENT STOOD AS FIRMLY AS EVER BY THIS POSITION. THERE WAS STRONG PRESSURE IN THE COMMUNITY TO BRING FORWARD THE INCREASE IN OWN RESOURCES, PARTICULARLY ON THE PART OF THOSE MEMBER STATES WHICH EXPECTED TO BENEFIT FROM MORE GENEROUS FINANCING, AND WHICH HOPED BY THIS MEANS TO RESOLVE THE CONFLICT WITH THE EUROPEAN PARLIAMENT OVER THE 1985 BUDGET. THE FEDERAL GOVERNMENT HOWEVER BELIEVED THAT A SOLUTION FOR 1985 COULD BE FOUND WITH A LITTLE FLEXIBILITY, FOR INSTANCE BY REPEATING THE COMPROMISE ADOPTED IN 1984.

ENLARGEMENT

4. FONTAINEBLEAU, KOHL SAID, HAD CLEARED THE WAY FOR ENLARGEMENT. THE NEGOTIATIONS WOULD PROBABLY ONLY BE CONCLUDED IN MARCH. THE FEDERAL GOVERNMENT REMAINED COMMITTED TO ACCESSION ON 1 JANUARY 1986.

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/FUTURE

FUTURE DEVELOPMENT OF THE COMMUNITY

5. THE COMMUNITY COULD NOT AFFORD TO CONTINUE FROM DAY TO DAY WITH IMPROVISED ANSWERS TO ITS PROBLEMS. IT NEEDED A POLITICAL PERSPECTIVE. THE AD HOC COMMITTEES HAD BEEN SET UP. AT HIS, KOHL'S, INITIATIVE THE MILAN EUROPEAN COUNCIL WOULD HAVE A THOROUGH DISCUSSION OF THE RECOMMENDATIONS.

INSTITUTIONAL REFORM

6. NO ONE COULD DOUBT THAT INSTITUTIONAL REFORM WAS NECESSARY. SINCE THE ADOPTION OF THE LUXEMBOURG COMPROMISE (LUXEMBURGER DISSENS) THE COUNCIL HAD FALLEN INTO THE HABIT OF LOOKING FOR CONSENSUS OR UNANIMITY EVEN IN CASES WHERE THE TREATY OF ROME PRESCRIBED MAJORITY VOTING. THE FEDERAL GOVERNMENT WAS URGING INCREASED USE OF (LITERALLY: STRENGTHENED RESORT TO) THE MAJORITY VOTING PROVISIONS OF THE TREATY OF ROME. DECISION-MAKING IN THE COMMUNITY OF TWELVE WOULD BE EVEN MORE DIFFICULT IF WE DID NOT LOOK FOR A PRACTICABLE WAY AHEAD.

7. THE COMMISSION SHOULD BE STRENGTHENED AS THE GUARDIAN OF THE COMMUNITY INTEREST AGAINST NATIONAL INTEREST. IT WAS ALSO A FUNDAMENTAL REQUIREMENT FOR HIM, KOHL, THAT THE EUROPEAN PARLIAMENT SHOULD HAVE A GREATER RIGHT TO CONSULTATION IN THE FORMATION OF COMMUNITY POLICY.

EUROPEAN UNION

8. THE EUROPEAN PARLIAMENT'S DRAFT TREATY ON EUROPEAN UNION WAS CURRENTLY UNDER DISCUSSION IN THE BUNDESTAG AND BUNDESRAT. IT RAISED ITS SIGHTS BEYOND DAY-TO-DAY POLITICS TO THE FOUNDATION OF A EUROPEAN UNION. "IT IS HOWEVER QUESTIONABLE WHETHER A USEFUL PURPOSE IS SERVED BY CONDUCTING DISCUSSION ABOUT THE FUTURE DEVELOPMENT OF THE COMMUNITY PRIMARILY ON THE BASIS OF THIS DRAFT, WHICH BOLDLY BRINGS INTO CENTRE STAGE THE FINAL CONSTITUTIONAL AIM OF A EUROPEAN UNION. OUR GOAL IS EUROPEAN UNION. WE SHALL BE CONSIDERING IN THE COMING MONTHS AND DISCUSSING WITH OUR PARTNERS INDIVIDUALLY THE QUESTION OF HOW BEST TO IMPLEMENT THIS CONCEPT IN THE PRESENT CIRCUMSTANCES. I AM CONFIDENT THAT IN OUR EUROPEAN POLICY IN 1985 WE SHALL BE ABLE TO TAKE A DECISIVE STEP ON THE WAY TOWARDS EUROPEAN INTEGRATION. THIS IS THE LAST YEAR IN WHICH THERE IS A CHANCE FOR A BIG STEP FORWARD." (NOTE: DIRECT TRANSLATION)

POLITICAL COOPERATION

9. THE COMMUNITY'S ROLE IN THE WORLD MUST BE MORE THAN THAT OF A MERE TRADING POWER. HE, KOHL, WAS ARGUING FOR POLITICAL COOPERATION IN FOREIGN AND SECURITY POLICY TO BE SET ON A FIRMER, IF POSSIBLE TREATY-BASED, FOOTING.

PEOPLE'S EUROPE

10. THE FRANCO-GERMAN BORDER AGREEMENT HAD SHOWN WHAT POLITICAL WILL COULD ACHIEVE. THERE WAS STILL MUCH TO BE DONE, EG IN YOUTH EXCHANGES AND MUTUAL RECOGNITION OF DIPLOMAS.

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EMPLOYMENT

EMPLOYMENT AND INTERNAL MARKET

11. THE COMMUNITY MUST ABOVE ALL RISE TO THE CHALLENGE OF UNEMPLOYMENT, BY SETTING FREE THE POTENTIAL OF THE INTERNAL MARKET. A GREAT DEAL HAD BEEN ACHIEVED IN VISIBLE TRADE, BUT RELATIVELY LITTLE IN THE CREATION OF A COMMON MARKET FOR SERVICES, CAPITAL TRANSFERS, INVESTMENT, RESEARCH AND INNOVATION. THE FEDERAL GOVERNMENT WOULD BE WORKING ENERGETICALLY FOR THE DISMANTLEMENT OF EXISTING TRADE BARRIERS, THE HARMONISATION OF NORMS AND THE OPENING OF MARKETS, INCLUDING FOR PUBLIC PROCUREMENT. THIS WOULD RESULT IN A CONSIDERABLE IMPROVEMENT IN THE CONDITIONS FOR EUROPEAN INDUSTRY. THE COMMUNITY MUST ALSO DO MORE TO STRENGTHEN THE CONVERGENCE OF ECONOMIC, BUDGETARY AND MONETARY POLICIES.

AGRICULTURE

12. KOHL SAID THAT HE WAS PARTICULARLY CONCERNED ABOUT FARM INCOMES DURING THE CURRENT DIFFICULT REORIENTATION. THE VIABLE FUNCTIONING OF AGRICULTURAL MARKETS MUST BE SECURED, AS THIS WAS THE BASIS FOR FARM INCOMES POLICY. THE FEDERAL GOVERNMENT HAD ONLY ACCEPTED THE DISMANTLEMENT OF MCAS AFTER IT HAD SECURED THE AGREEMENT OF ITS PARTNERS TO COMPENSATION FOR GERMAN FARMERS. THE NATIONAL VAT MEASURES WOULD GIVE GERMAN FARMERS A CONSIDERABLE INCOME COMPENSATION UNTIL 1991. THE DISMANTLEMENT OF MCAS MEANT THAT THERE WOULD BE NO MORE DEDUCTIONS FROM BRUSSELS PRICE-FIXING DECISIONS FOR GERMAN FARMERS. HOWEVER THE BUDGET COULD NOT BE THE ONLY CRITERION FOR AGRICULTURAL PRICE POLICY. THE FEDERAL GOVERNMENT WOULD CAREFULLY ASSESS THE COMMISSION'S PROPOSALS, AND ADOPT A POSITION FOR THE COMING NEGOTIATIONS WHICH TOOK ACCOUNT OF THE INCOME SITUATION OF GERMAN AGRICULTURE.

ENVIRONMENT

13. GERMAN PRESSURE HAD FORCED OTHER MEMBER STATES TO SHOW GREATER UNDERSTANDING FOR THE GERMAN POSITION ON THE ENVIRONMENT. KOHL HOPED THAT THE COMMISSION ALSO SHARED GERMAN CONCERN. ENVIRONMENTAL POLICY WOULD BE A MAJOR THEME OF THE NEXT EUROPEAN COUNCIL.

STEEL

14. PAINFUL CAPACITY REDUCTIONS WERE UNAVOIDABLE, BUT THE WORST WAS NOW OVER.

CULTURE

15. EUROPEAN INTEGRATION REQUIRED POLITICAL WILL AND THE COMMITMENT OF ORDINARY CITIZENS. NO 'SIREN VOICES OF REASONABLENESS' BASED ON TECHNOCRATIC OR ECONOMIC PRESSURES WOULD DETER THE FEDERAL GOVERNMENT FROM ITS TASK. THE FEDERAL LAENDER HAD AN IMPORTANT ROLE TO PLAY IN THE PROMOTION OF A EUROPEAN CULTURAL POLICY.

8 MAY - VE DAY

16. THE COMING TOGETHER OF FREE EUROPE WAS NOT DIRECTED AGAINST ANYONE. IT WAS ALSO NOT IN CONTRADICTION TO THE AIM OF OVERCOMING THE DIVISION OF EUROPE - WHICH WAS ALSO THE DIVISION OF GERMANY. A GREAT DEAL HAD BEEN SAID THIS WEEK ABOUT 8 MAY 1945. FOR THE FACT THAT IT HAD BEEN POSSIBLE TO MAINTAIN 40 YEARS OF PEACE IN FREE EUROPE WE HAD TO THANK - AFTER THE NORTH ATLANTIC ALLIANCE - THE UNION OF EUROPEAN NATIONS IN THE EUROPEAN COMMUNITY.

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| SPEECHES

SPEECHES BY LAENDER LEADERS

17. IN REPLY TO KOHL'S SPEECH THE SPD PRIME MINISTER OF NORTH RHINE WESTPHALIA, RAU, SAID THAT THE MOST PRESSING PROBLEM IN THE COMMUNITY WAS UNEMPLOYMENT. PEOPLE WERE ASKING WHY TWO-THIRDS OF THE BUDGET WENT ON 8 MILLION FARMERS, WHEN THE 13 MILLION UNEMPLOYED WENT EMPTY-HANDED. EUROPE'S FUTURE WOULD DEPEND ON ITS ABILITY TO TACKLE UNEMPLOYMENT, REFORM AGRICULTURE, AND INTRODUCE AN ENVIRONMENTAL POLICY WHICH WAS NOT BASED ON THE LOWEST COMMON DENOMINATOR. ON EUROPEAN UNION, HE WARNED KOHL AGAINST USING THIS AS AN INDIRECT WAY OF UNDERMINING THE POWERS OF THE LAENDER.

18. THE CDU PRIME MINISTER OF BADEN-WUERTTEMBERG, SPAETH, SAID THAT IN MANY AREAS KOHL'S GOVERNMENT HAD BECOME A PACE-SETTER IN EUROPE. HE CALLED FOR THE COMMUNITY TO CONCENTRATE ITS EFFORTS ON PROMOTING THE INDUSTRIES OF THE FUTURE. BARSCHEL, THE CDU PRIME MINISTER OF SCHLESWIG-HOLSTEIN, PROMISED KOHL THE SUPPORT OF HIS GOVERNMENT IN PRESSING FOR CLOSER EUROPEAN INTEGRATION. HE SUPPORTED ENLARGEMENT, THOUGH ADDING THAT THE NORTHERN MEMBER STATES MUST WORK TOGETHER TO PROTECT THEIR INTERESTS; SUPPORTED THE POLITICAL DEVELOPMENT OF THE COMMUNITY, THOUGH ADDING THAT NO MEMBER STATE MUST BE PUSHED ASIDE IN THE PROCESS; AND CALLED FOR AGRICULTURAL REFORM, THOUGH SAYING THAT MODERATE PRICE INCREASES WERE NECESSARY TO PROTECT THE POCKETS OF THE GERMAN FARMERS.

COMMENT

19. KOHL WAS SPEAKING AFTER THE MEETING OF FEDERAL CABINET MINISTERS TO DISCUSS EUROPEAN POLICY ON 7 FEBRUARY. WE HAVE NOT YET BEEN ABLE TO ESTABLISH HOW THIS MEETING WENT, THOUGH WE SHALL DEBRIEF OFFICIALS AFTER THE WEEKEND. KOHL EVIDENTLY CHOSE HIS WORDS IN THE DEBATE WITH CARE, AND WAS SURPRISINGLY CAUTIOUS EG ON MAJORITY VOTING; THE SPINELLI DRAFT TREATY, AND POWERS FOR THE PARLIAMENT. THIS MAY REFLECT DISCUSSION AT THE CABINET MEETING, OR MAY INDICATE THAT HE IS NOT YET CONFIDENT OF THE OUTCOME OF THE CONSULTATIONS WITH FEDERAL MINISTRIES ON THE WORK OF THE DOOGE COMMITTEE, ON WHICH RUHFUS IS CURRENTLY ENGAGED AT HIS REQUEST.

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