

GRS 700
RESTRICTED

RESTRICTED

MS

FRAME ECONOMIC

FM BONN 011606Z APR 85

TO PRIORITY FCO

TELEGRAM NUMBER 315 OF 01 APRIL

INFO ROUTINE ATHENS, UKREP BRUSSELS, EMBASSY BRUSSELS, COPENHAGEN,
DUBLIN, LUXEMBOURG, PARIS, ROME, THE HAGUE

EUROPEAN COUNCIL: GERMAN REACTIONS

SUMMARY

1. FEDERAL GOVERNMENT VERY PLEASED WITH OUTCOME OF FOREIGN AFFAIRS AND EUROPEAN COUNCILS. PRESS ALSO SATISFIED, BUT SHOWS SOME CONCERN ABOUT THE INCREASED DIFFICULTY OF MAKING PROGRESS IN AN ENLARGED COMMUNITY.

DETAIL

2. IN A COMMUNITY BRIEFING TODAY TRUMPF (AUSWAERTIGES AMT) SAID THAT CHANCELLOR KOHL AND THE FEDERAL GOVERNMENT WERE VERY PLEASED WITH THE OUTCOME OF THE FOREIGN AFFAIRS AND EUROPEAN COUNCILS. WITH AGREEMENT ON ENLARGEMENT, IMPS AND THE BUDGET, A MAJOR HURDLE HAD BEEN CLEARED. THE COMMUNITY COULD EMBARK ON A NEW PHASE OF CONSOLIDATING AND DEEPENING ITS ACHIEVEMENTS. CONSOLIDATION WOULD INVOLVE DISCUSSION UP TO AND AT MILAN OF THE ISSUES ADDRESSED IN THE DOOGE REPORT, INCLUDING INSTITUTIONAL DEVELOPMENT, SECURITY COOPERATION, THE STRENGTHENING OF POLITICAL COOPERATION, POLITICAL INTEGRATION AND EUROPEAN UNION. THE EUROPEAN COUNCIL HAD INDICATED IN ITS CONCLUSIONS AREAS WHERE THE COMMUNITY SHOULD BE DEEPENED: THE INTERNAL MARKET, TECHNOLOGY, ENVIRONMENTAL POLICY AND MAESURES FOR A PEOPLE'S EUROPE. THE FEDERAL GOVERNMENT WAS GOING THROUGH "A PROCESS OF REFLECTION" ABOUT EUROPE: WE COULD EXPECT A SERIES OF SPEECHES AND SIGNED ARTICLES BEFORE THE SUMMER.

3. I SAID THAT WE SHARED THE GERMAN'S SATISFACTION. THE BRITISH GOVERNMENT HAD MADE A CONSIDERABLE EFFORT IN RECENT MONTHS TO CONTRIBUTE TO THE EUROPEAN DEBATE. I BELIEVED THERE WAS NOW AN EXCELLENT BASIS FOR FUTURE WORK.

4. KOHL WILL, UNUSUALLY, NOT MAKE A STATEMENT ABOUT THE EUROPEAN COUNCIL TO THE BUNDESTAG, AS IT IS ALREADY IN RECESS FOR EASTER. THE GERMAN PRESS REPORTS KOHL'S DESCRIPTION OF THE CONCLUSIONS ON ENLARGEMENT AS A "HISTORIC STEP", AND GENSCHER'S THAT THEY WERE A "GREAT SUCCESS FOR US ALL". LANGES, THE CDU'S BUDGET EXPERT IN THE EUROPEAN PARLIAMENT, HAS SAID THAT THE END OF THE ENLARGEMENT NEGOTIATIONS MEANT NOT ONLY AN IMPORTANT STEP IN EXTENDING THE EC, BUT ALSO THE END TO THE "BLOCKADE" OF THE 1985 BUDGET. IT WAS WELCOME NEWS, HE SAID, THAT FOREIGN MINISTERS HAD AT LONG LAST AGREED ON NATIONAL CONTRIBUTIONS TO COVER THE 1985 DEFICIT.

RESTRICTED

15.

RESTRICTED .

5. EDITORIAL COMMENT SHOWS RELIEF AND SATISFACTION AT THE OUTCOME OF THE NEGOTIATIONS ON ENLARGEMENT AND IMPS, BUT ONLY MODIFIED RAPTURE. MOST PAPERS INSIST THAT INSTITUTIONAL REFORM, ESPECIALLY A RETURN TO MAJORITY VOTING, WILL BE NECESSARY IF THE COMMUNITY IS TO MAKE ANY PROGRESS WITH TWELVE MEMBERS. THE FIRST TWO ENLARGEMENTS ARE MENTIONED IN SOME PAPERS AS DISCOURAGING PRECEDENTS: ONE EDITOR ASKS IF SPAIN AND PORTUGAL WILL REALLY BECOME ENTHUSIASTIC MEMBER STATES, OR DISILLUSIONED PARTNERS 'LIKE BRITAIN AND GREECE'. HANDELSBLATT TAKES A MORE UPBEAT LINE: THE GERMAN LINKAGE BETWEEN ENLARGEMENT AND FINANCES HAS BORNE FRUIT. DESPITE THE EXTRA COSTS THE BALANCE FOR THE FRG WILL BE ENTIRELY POSITIVE: IT HAS HISTORICALLY GOOD RELATIONS WITH SPAIN, WILL NOT BE THREATENED BY SPANISH MEDITERRANEAN PRODUCTS, AND STANDS TO DO VERY WELL OUT OF THE SPANISH MARKET ONCE TARIFFS ARE LOWERED AND EC FINANCIAL HELP STIMULATES SPANISH DEMAND.

6. OTHER EUROPEAN COUNCIL SUBJECTS HAVE MOSTLY BEEN CROWDED OUT OF THE LEADER COLUMNS BY COMMENT ON ENLARGEMENT, BUT HAUSER IN THE FRANKFURTER RUNDSCHAU NOTES THAT DEVELOPMENTS IN THE COMMUNITY ARE TAKING PLACE AT INCREASING SPEED: IT IS ALMOST A MIRACLE THAT THE TEN HAVE STUCK TO THEIR STUTTGART TIMETABLE. THE STATEMENT THAT THE INTERNAL MARKET WILL BE COMPLETED IN 1982 IS NOTHING SHORT OF 'SPECTACULAR'. HE SUGGESTS THAT THE CHALLENGE OF SDI WILL CONTRIBUTE SIGNIFICANTLY TO PUSHING EUROPEANS INTO EVEN CLOSER COLLABORATION.

7. ONE OR TWO PAPERS NOTE THAT NO POCO STATEMENTS WERE ISSUED, AND QUOTE A CLAIM BY SUDHOFF, THE FEDERAL GOVERNMENT SPOKESMAN, THAT KOHL HAD SUCCEEDED IN GETTING AGREEMENT THAT EUROPEAN COUNCILS WOULD IN FUTURE REFRAIN FROM MAKING POCO STATEMENTS IF THEY HAD NOTHING NEW TO SAY. ON THIS, SEE MY LETTER TO DEREK THOMAS OF 1 APRIL.

BULLARD

FRAME ECONOMIC
ECD(I)

-2-
RESTRICTED