

CONFIDENTIAL

014651
MDADAN 8902

CONFIDENTIAL

FM BONN

TO DESKBY 291700Z FCO

TELNO 1213

OF 291532Z NOVEMBER 88

INFO PRIORITY PARIS, WASHINGTON, UKDEL NATO, UKREP BRUSSELS, ROME

INFO PRIORITY ATHENS

INFO ROUTINE OTHER EC POSTS

ADVANCE COPY

EUROPEAN COUNCIL, RHODES: PRIME MINISTER'S MEETING WITH CHANCELLOR KOHL ON 2 DECEMBER

SUMMARY

1. KOHL WILL MEET THE PRIME MINISTER ON 2 DECEMBER AGAINST A BACKGROUND OF DIFFICULTIES WITHIN THE CDU. BUT THE COALITION IS NOT IN DANGER. KOHL CONSCIOUS OF CASE FOR DRAWING MORE PUBLIC ATTENTION TO ANGLO-GERMAN RELATIONS. SUGGESTED POINTS FOR THE PRIME MINISTER TO PUT TO KOHL ON THE ANGLO-GERMAN SUMMIT, SNF, TORNADO FOR JORDAN, THE EUROPEAN COMPANY STATUTE, AND THE LONDON CONFERENCE ON THE OZONE LAYER.

DETAIL

2. FOR SOME WEEKS GERMAN NEWSPAPERS HAVE BEEN REPORTING, AND CHANCELLOR KOHL DENYING, A CRISIS IN THE CDU. AT REGIONAL LEVEL, THE CDU DOES HAVE SERIOUS PROBLEMS. IN THE CDU-RULED LAENDER OF LOWER SAXONY AND RHINELAND-PALATINATE, ITS HOLD ON POWER IS WEAKENING. IN THE FORMER THE CDU INTERIOR MINISTER HAS RESIGNED OVER A BRIBERY SCANDAL AND IN THE LATTER A DISPUTED ELECTION FOR THE REGIONAL PARTY CHAIRMANSHIP HAS CAUSED THE CDU PRIME MINISTER OF THE LAND TO RESIGN. AT FEDERAL LEVEL, TOO, KOHL'S GRIP LOOKS LOOSE. THE EMBARRASSMENT OF JENNINGER'S FAUX-PAX (MY TELNO 1152) WAS FOLLOWED BY DIFFICULTIES FIRST IN FILLING HIS POST AS SPEAKER OF THE BUNDESTAG AND NOW IN FILLING THE POST OF FAMILY MINISTER VACATED WHEN FRAU SUESSMUTH TOOK OVER FROM JENNINGER. ALL THIS GIVES THE IMPRESSION OF A PARTY HAVING DIFFICULTY MANAGING ITS OWN AFFAIRS. BUT THE COALITION IS SUCCEEDING IN SEEING THROUGH THE BUNDESTAG IMPORTANT REFORMS OF THE HEALTH CARE SYSTEM AND PENSIONS AND ITS STABILITY IS UNLIKELY TO BE AFFECTED BY THE CDU'S PROBLEMS.

3. AS FOR THE CDU'S COALITION PARTNERS, THE CSU SUCCESSION TO STRAUSS HAS GONE OFF SMOOTHLY AND SUCCESSFULLY. THE NEW FDP CHAIRMAN, LAMBSDORFF, IS SEEKING A HIGH PROFILE, PARTICULARLY IN ECONOMIC QUESTIONS, BUT HAS KEPT OFF GENSCHER'S FOREIGN POLICY TURF.

ANGLO-GERMAN RELATIONS

4. IN A RECENT SPEECH KOHL, AFTER THE RITUAL REFERENCE TO FRANCE AND GERMANY AS THE MOTOR IN BUILDING EUROPE, SINGLED OUT THE UNITED KINGDOM FOR UNUSUAL SPECIAL MENTION. HE HAS ALSO MADE VARIOUS PRIVATE REMARKS (REPORTED TO ME BY GERMAN POLITICIANS AND OFFICIALS) ABOUT THE NEED TO DRAW MORE PUBLIC ATTENTION TO THE IMPORTANCE OF ANGLO-GERMAN RELATIONS.

5. IN HER BILATERAL WITH KOHL, THE PRIME MINISTER COULD WELCOME THE PROSPECT OF THE SUMMIT IN GERMANY IN FEBRUARY AND SAY THAT SHE HOPES IT WILL HAVE SOME PUBLIC IMPACT HERE. THE CHANCELLOR MAY BE ABLE TO SAY WHERE HE WOULD LIKE THE SUMMIT TO TAKE PLACE.

SNF MODERNISATION

6. DURING HIS RECENT VISIT TO WASHINGTON KOHL DECLARED TO THE PRESS, IN THE PRESENCE OF GENSCHER AND SCHOLZ, THAT HE WANTED NATO TO AGREE ITS COMPREHENSIVE CONCEPT AT THE NORTH ATLANTIC COUNCIL IN LONDON NEXT SUMMER. HE SEEMS TO BE WORKING TOWARDS AN ALLIANCE DECISION IN PRINCIPLE AT A NATO SUMMIT NEXT YEAR ON SNF MODERNISATION, TO BE PACKAGED IN THE COMPREHENSIVE CONCEPT WITH REDUCTIONS IN NATO'S NUCLEAR ARTILLERY IN EUROPE AND AN SNF 'ARMS CONTROL POSITION'. MY TELNO 1182 CONTAINED TELTSCHIK'S ACCOUNT OF THE CHANCELLOR'S CURRENT THINKING. BUT IT WILL BE IMPORTANT, IN FORMING OUR OWN POLICY ON LANCE MODERNISATION, TO KNOW JUST HOW DETERMINED KOHL PERSONALLY IS TO FACE UP TO A ROW WITH GENSCHER AND A PUBLIC CONTROVERSY ON THE QUESTION. I RECOMMEND THAT THE PRIME MINISTER SHOULD ASK KOHL WHETHER, IF THE UNITED STATES SEEKS A LANCE DECISION NEXT YEAR, HE INTENDS TO GO FULL OUT FOR GERMAN AGREEMENT TO THAT.

TORNADO FOR JORDAN

7. KOHL OWES THE PRIME MINISTER A REPLY TO HER LETTER OF 29 OCTOBER. MY TELNO 1208 REPORTED THE LATEST SITUATION HERE. I SHALL REPORT AGAIN IF THERE IS MORE TO SAY. THE PRIME MINISTER COULD UNDERLINE THE IMPORTANCE OF URGENT DECISIONS ON GERMAN CREDIT ARRANGEMENTS.

EUROPEAN COMPANY STATUTE

8. THE PRIME MINISTER WILL WISH TO LEAVE KOHL IN NO DOUBT ABOUT OUR VIEWS ON THE EUROPEAN COMPANY STATUTE (ECS). KOHL IS KNOWN TO BE IN FAVOUR OF AN ECS AND HIS ATTITUDE WILL BE A MAJOR FACTOR IN DETERMINING THE GERMAN LINE. UPPERMOST IN HIS MIND IS LIKELY TO BE THE NATIONAL CONFERENCE ON EUROPE 1992 WHICH HE WILL BE CHAIRING IN BONN ON 7 DECEMBER: IT WILL BE ATTENDED BY REPRESENTATIVES OF GERMAN TRADES UNIONS AND EMPLOYERS' ORGANISATIONS TO DISCUSS THE SOCIAL

DIMENSION OF THE SINGLE MARKET. THE FEDERAL GOVERNMENT'S MAIN CONCERN IS TO ENSURE THAT GERMAN PROVISIONS ON CO-DETERMINATION ARE NOT UNDERMINED. SO FAR INDICATIONS ARE THAT GERMAN INDUSTRY'S ATTITUDE TO THE ECS IS RATHER MORE POSITIVE THAN THAT OF THE CBI.

ENVIRONMENT

9. THE PRIME MINISTER COULD REFER TO THE LONDON CONFERENCE ON THE OZONE LAYER, TO ILLUSTRATE OUR ACTIVE INTEREST IN THOSE ENVIRONMENTAL QUESTIONS WHICH REALLY MATTER.

COOPERATION AGAINST CRIME

10. KOHL'S VIEW THAT A EUROPEAN FEDERAL POLICE FORCE IS NEEDED ON THE FBI MODEL TO COMBAT INTERNATIONAL TERRORISM, DRUG-TRAFFICKING AND ORGANISED CRIME WAS MOST RECENTLY RE-STATED AT THE ASPEN INSTITUTE CONFERENCE ON 13 OCTOBER (MY TELNO 1019) AND IN A SPEECH AT BRUSSELS ON 18 OCTOBER (UKREP BRUSSELS TELNO 3039). HIS BELIEF THAT SUCH AN INSTITUTION WOULD REMOVE THE REMAINING NEED FOR BORDER CHECKS AFTER 1992 HAS CLEARLY NOT BEEN THOUGHT THROUGH. A FEW SEARCHING QUESTIONS TO KOHL ON WHAT HE REALLY MEANS SHOULD ENCOURAGE HIM TO GET OFFICIALS TO THINK SERIOUSLY.

THE NEW COMMISSION

11. SPECULATION HERE IS THAT ANDRIESSEN IS NOW THE FRONT RUNNER FOR EXTERNAL AFFAIRS AND THAT BANGEMANN WILL THEREFORE SETTLE FOR INTERNAL MARKET. IT DOES NOT LOOK AS IF BANGEMANN IS MAKING MUCH EFFORT TO GET HIS PREFERENCE OF EXTERNAL AFFAIRS. IT IS DOUBTFUL THAT KOHL IS TAKING MUCH INTEREST EITHER: BUT, AS SEEN FROM HERE, IT WOULD BE WORTH COMMENDING TO HIM THE UK'S PREFERRED DISTRIBUTION OF PORTFOLIOS.

MALLABY

YYYY

DISTRIBUTION

8

ADVANCE

8

HD/ECD(I)
HD/ECD(E)
HD/NENAD
HD/DEFENCE

HD/ERD
HD/WED
HD/MAED
HD/SEND