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FRG ECONOMIC OUTLOOK: STOLTENBERG'S VIEWS

1. IN INTERVIEWS GIVEN OVER THE WEEKEND, STOLTENBERG (CDU), THE FINANCE MINISTER DESIGNATE, WARNED THAT UNEMPLOYMENT WOULD RISE TO OVER 2 MILLION BY FEBRUARY/MARCH, AND EMPHASISED THE QUOTE CATASTROPHIC UNQUOTE NATURE OF THE INHERITANCE LEFT BY THE SPD-LED GOVERNMENT. HE CALLED UPON ALL CITIZENS TO CONTRIBUTE TO THE WORK NEEDED FOR AN UPSWING: INVESTMENT DECISION-MAKERS SHOULD REVIEW THEIR 1983 PLANS IN THE KNOWLEDGE THAT INTEREST RATES WERE FALLING AND THAT THE GOVERNMENT WAS CLEARLY SETTING THE COURSE FOR AN IMPROVEMENT. SMALL AND MEDIUM SIZED FIRMS WOULD RECEIVE EFFECTIVE AID THROUGH THE PROPOSED TAX CONCESSIONS AND NEW PROGRAMMES. IF CITIZENS TOOK THE OPPORTUNITIES AND SPENT MORE, A CLEAR IMPROVEMENT COULD BE RECORDED BY MID-1983.

2. STOLTENBERG MAINTAINED THAT, HAD PARLIAMENT BEEN DISSLOVED, THE FEDERAL BORROWING REQUIREMENT WOULD HAVE BEEN OVER DM 50 BILLION INSTEAD OF DM 37-39 BILLION UNDER THE NEW PLANS - STILL TOO MUCH. HE THOUGHT THAT THE 1983 BUDGET COULD BE PASSED BY DECEMBER ALTHOUGH THERE WAS EXTREME TIME PRESSURE. HE NOW WANTED TO DISCUSS WAYS OF MOVING PUBLIC FINANCES OUT OF CONSUMPTION INTO INVESTMENT EXPENDITURE.

3. ON EC AFFAIRS, STOLTENBERG SAID THE COMMUNITY WAS IN AN EXTRA-ORDINARY CRITICAL AND UNSATISFACTORY SITUATION. THE NEW GOVERNMENT WOULD NEED TO MAKE A THOROUGH STOCKTAKING. THERE WERE CERTAINLY POINTS WHERE GERMAN AND FRENCH POLICIES DID NOT COINCIDE IN DETAIL. THE GOVERNMENT WOULD APPROACH THE PROBLEMS WITH THE AIM OF IMPROVING COOPERATION AND GIVING NEW IMPULSES. AS FAR AS SPECIAL FINANCIAL CONTRIBUTIONS FROM THE FEDERAL REPUBLIC WERE CONCERNED, THE GOVERNMENT WOULD BE NO MORE FORTHCOMING THAN THEIR PREDECESSORS. THE DIFFERENCES BETWEEN GERMAN AND FRENCH ECONOMIC POLICY NEED NOT AUTOMATICALLY GIVE RISE TO CONFLICT.

4. ON RELATIONS WITH EASTERN EUROPE, HE SAID THERE SHOULD BE MORE SERIOUS DISCUSSION WITH THE AMERICANS ON FUTURE FINANCIAL AND ECONOMIC COOPERATION WITH THE USSR: THE RESULTS OF OVER-OPTIMISTIC ESTIMATES OF EASTERN CREDITWORTHINESS IN THE PAST TEN YEARS ALSO INDICATED THE NEED FOR GREATER CAUTION IN FUTURE AND SHOWED THAT BOTH TAX PAYER'S MONEY AND SAVERS' (VIA THE BANKS' INVOLVEMENT

/HAD

HAD IN FINANCING E/W TRADE) HAD HAD TO BE WRITTEN OFF TO THE TUNE OF BILLIONS OF D-MARKS.

5. STOLTENBERG WILL TAKE OVER HIS OFFICE IN THE FINANCE MINISTRY TOMORROW.

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