

GRS 580
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DESKBY 221430Z

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FM BONN 221330Z JUN 84

TO IMMEDIATE FCO

TELEGRAM NUMBER 625 OF 22 JUNE

INFO ROUTINE ATHENS, BRUSSELS, UKREP BRUSSELS, COPENHAGEN, DUBLIN,
LUXEMBOURG, PARIS, ROME, THE HAGUE, UKDEL OECD, WASHINGTON, MOSCOW,
EAST BERLIN

INFO SAVING CICC(G), BMG BERLIN, CGS IN THE FRG

MIPT: THE FDP AND THE BONN COALITION

SUMMARY

1. THE DOMESTIC ANXIETIES WHICH WILL BE ON KOHL'S MIND AT FONTAINE-
BLEAU (MY TELNO 622) HAVE WORSENERED WITH GENSCHER'S ANNOUNCEMENT
YESTERDAY. THERE IS CONCERN IN THE CDU ABOUT THE CRISIS IN THE FDP
AND GROWING DOUBTS ABOUT THEIR LONG TERM VIABILITY AS
COALITION PARTNER. BUT CHANCELLOR'S MORE IMMEDIATE PROBLEM TO
PREVENT STRAUSS EXPLOITING THE SITUATION TO FORCE HIS WAY
BACK INTO THE FEDERAL GOVERNMENT.

DETAIL

2. THE COLLAPSE OF GENSCHER'S AUTHORITY IN THE FDP HAS TAKEN THE
FEDERAL CHANCELLERY BY SURPRISE. ACCORDING TO THE CHANCELLOR'S
PRIVATE SECRETARY (PLEASE PROTECT) GENSCHER TOLD THE CHANCELLOR
EARLIER THIS WEEK THAT HE HAD HAD ENOUGH AND WANTED A YOUNGER
MAN TO HAVE HIS CHANCE. HE APPARENTLY ADMITTED TO HAVING LOST
CONTROL OF HIS PARTY WHICH, IN TURN, GAVE EVERY EXPRESSION OF PANIC.

3. THE CDU ARE OBVIOUSLY EXTREMELY CONCERNED ABOUT THE CRISIS
IN THE FDP. THEY BELIEVE THAT THE FDP WILL REMAIN COMMITTED
TO THE PRESENT COALITION, IRRESPECTIVE OF WHO SUCCEEDS GENSCHER.
THE ALTERNATIVE - A RETURN TO OPPOSITION - WOULD BE ELECTORAL
SUICIDE. BUT THEY ARE WORRIED THAT THE FDP WILL TRY TO RECOVER
LOST GROUND BY PROFILING THEMSELVES MORE SHARPLY WITHIN THE
COALITION. THIS COULD ONLY LEAD TO FRICTION WITH THE CDU/CSU AND
COMPLICATE THE BUSINESS OF GOVERNMENT. THE CHANCELLOR HAS ALREADY
WARNED THE FDP AGAINST THIS.

4. MORE IMPORTANT, THE CHANCELLOR'S STRATEGY HAS ALWAYS BEEN TO
GOVERN FOR AT LEAST TWO LEGISLATIVE PERIODS IN ALLIANCE WITH
THE FDP. ACCORDING TO HIS PRIVATE SECRETARY, EVEN HE IS NOW TAKING
SERIOUSLY THE POSSIBILITY OF THE FDP'S DEMISE AS A FORCE IN
FEDERAL POLITICS BEFORE THEN, AND IS GIVING INCREASING CONSIDERATION
AS TO HOW THE CDU/CSU CAN BEST HOPE TO ACHIEVE AN ABSOLUTE MAJORITY
ON THEIR OWN IN THE 1987 FEDERAL ELECTION. THE CHANCELLOR HIMSELF
HAS SAID THAT THE CDU/CSU WILL DO EVERYTHING POSSIBLE TO
HELP THE FDP. BUT HE HAS ALSO WARNED, THAT IF THE CRISIS IN
THE FDP CONTINUES, THE CDU/CSU MAY HAVE TO RECONSIDER THEIR OPTIONS.

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5. HIS MORE IMMEDIATE CONCERN WILL BE WITH HIS CABINET. THE FEDERAL CHANCELLERY EXPECT LAMBSDORFF TO HAVE TO RESIGN VERY SOON AS ECONOMICS MINISTER IN ORDER TO FACE CORRUPTION CHARGES (MY TELNO 595). THEY ARE CONVINCED THAT STRAUSS WILL TRY TO EXPLOIT GENSCHER'S DIFFICULTIES AND LAMBSDORFF'S DEPARTURE TO FORCE A WIDER RANGING RESHUFFLE, WHICH COULD BRING HIM BACK TO BONN AS EITHER ECONOMICS OR FOREIGN MINISTER. OTHER MINISTERS WHO LOOK RIPE FOR A MOVE INCLUDE WOERNER (CDU), WHO HAS NOT RECOVERED FROM THE KIESSLING AFFAIR: ENGELHARD (FDP), WHOSE PERFORMANCE AS JUSTICE MINISTER HAS BEEN LAMENTABLE: SCHWARZ-SCHILLING (CDU), WHO STANDS UNDER A CLOUD AS POSTS AND TELECOMMUNICATIONS MINISTER FOR ALLEGEDLY AWARDED CONTRACTS TO HIS FAMILY FIRM: AND DOLLINGER (CSU) WHOSE PERFORMANCE AT TRANSPORT HAS BEEN INDIFFERENT.

6. THE CSU HAVE PUBLICLY DEMANDED TO BE CONSULTED ON ANY CHANGES. BUT THE CHANCELLOR IS DETERMINED TO KEEP STRAUSS OUT. HE HAS SAID THAT, IF LAMBSDORFF HAS TO GO, HE WILL REPLACE HIM WITH AN FDP MAN. HE HAS AGAIN RULED OUT A WIDER RESHUFFLE. THERE IS NO REASON TO THINK THE CHANCELLOR WILL NOT GET HIS WAY. EVEN IF HE DOES, HOWEVER, HE WILL AGAIN APPEAR TO HAVE ACTED OUT OF FEAR OF STRAUSS, AND HIS REPUTATION WILL SUFFER.

7. THE DRAMATIC CHANGE IN THE FORTUNES OF THE FDP MEANS THAT KOHL WILL HAVE PLENTY ON HIS MIND AT FONTAINEBLEAU, APART FROM EUROPE. THE DIFFICULT AND UNCERTAIN DOMESTIC PROSPECTS THAT NOW LIE AHEAD MAY INCREASE HIS INTEREST IN A SOLID ACHIEVEMENT AT THE SUMMIT.

BONN WILL PASS SAVINGS

FCO PLEASE ADVANCE TO:

NO 10 - POWELL

FCO PS/SOS, BULLARD, TICKELL, RENWICK

CAB OFF WILLIAMSON

TSY - UNWIN

MALLABY

STANDARD (PALACE)

WED

ECD'S

NAD

SOVD

CABINET OFFICE

COPIES TO: MR UNWIN HM TSY

ADVANCED AS REQUESTED

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