

ARCHIVES HISTORIQUES DE LA COMMISSION

COLLECTION
DES DOCUMENTS "SEC"

Dossier SEC(92)2337

Vol. 1992/0110

Disclaimer

Conformément au règlement (CEE, Euratom) n° 354/83 du Conseil du 1er février 1983 concernant l'ouverture au public des archives historiques de la Communauté économique européenne et de la Communauté européenne de l'énergie atomique (JO L 43 du 15.2.1983, p. 1), modifié en dernier lieu par le règlement (UE) 2015/496 du Conseil du 17 mars 2015 (JO L 79 du 25.3.2015, p. 1), ce dossier est ouvert au public. Le cas échéant, les documents classifiés présents dans ce dossier ont été déclassifiés conformément à l'article 5 dudit règlement ou sont considérés déclassifiés conformément aux articles 26(3) et 59(2) de la décision (UE, Euratom) 2015/444 de la Commission du 13 mars 2015 concernant les règles de sécurité aux fins de la protection des informations classifiées de l'Union européenne.

In accordance with Council Regulation (EEC, Euratom) No 354/83 of 1 February 1983 concerning the opening to the public of the historical archives of the European Economic Community and the European Atomic Energy Community (OJ L 43, 15.2.1983, p. 1), as last amended by Council Regulation (EU) 2015/496 of 17 March 2015 (OJ L 79, 27.3.2015, p. 1), this file is open to the public. Where necessary, classified documents in this file have been declassified in conformity with Article 5 of the aforementioned regulation or are considered declassified in conformity with Articles (26.3) and 59(2) of the Commission Decision (EU, Euratom) 2015/444 of 13 March 2015 on the security rules for protecting EU classified information.

In Übereinstimmung mit der Verordnung (EWG, Euratom) Nr. 354/83 des Rates vom 1. Februar 1983 über die Freigabe der historischen Archive der Europäischen Wirtschaftsgemeinschaft und der Europäischen Atomgemeinschaft (ABl. L 43 vom 15.2.1983, S. 1), zuletzt geändert durch die Verordnung (EU) Nr. 2015/496 vom 17. März 2015 (ABl. L 79 vom 25.3.2015, S. 1), ist dieser Akt der Öffentlichkeit zugänglich. Soweit erforderlich, wurden die Verschlussachen in diesem Akt in Übereinstimmung mit Artikel 5 der genannten Verordnung freigegeben; beziehungsweise werden sie auf Grundlage von Artikel 26(3) und 59(2) der Entscheidung der Kommission (EU, Euratom) 2015/444 vom 13. März 2015 über die Sicherheitsvorschriften für den Schutz von EU-Verschlussachen als herabgestuft angesehen.

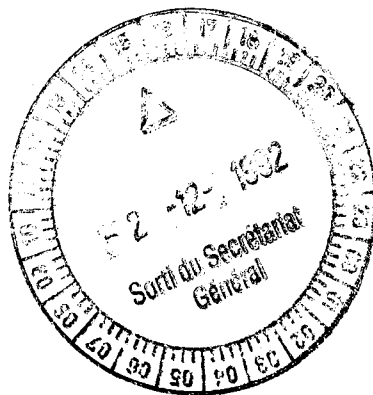
COMMISSION
DES
COMMUNAUTÉS EUROPÉENNES

Secrétariat général

Bruxelles, le 2 décembre 1992

DOCUMENT INTERNE

SEC(92) 2337



NOTE DE LA REPRÉSENTATION DE LA COMMISSION
EN ALLEMAGNE

(Note d'information de M. DONDELINGER
aux Membres de la Commission)

Destinataires : Membres de la Commission
Mme FLESCHE
M. DEWOST

NOTE FROM THE COMMISSION REPRESENTATION IN GERMANY

Weekly report on Germany

From: Gerd Langguth

Budget debate: In the wake of last week's budget debate, in which the Bundestag accepted the Government's clearly outdated proposals, observers comment that the debate demonstrated that Kohl has taken over economic policy regarding eastern Germany himself. There is no longer any doubt that he is aiming at a new strategy and will break with many taboos, like a move for massive state support for the remaining, unsaleable firms in the Treuhand stable. In the debate, Kohl offered cooperation to the SPD. Main topics of the debate were the increasing xenophobic violence, the state of the economy and Bundeswehr out-of-area missions. Kohl was obviously at pains to secure consensus, avoiding polemics. He announced clarity in January on tax increases. Finance Minister Waigel refused to present a new budget, even though the SPD called his outdated draft unconstitutional. He demanded thrift on all sides and announced a supplementary budget for May, reported to amount to between DM 3 and 5 billion.

At a Berlin CDU party meeting, Chancellor Kohl said he will stand for re-election in 1994, and announced that the move to Berlin will be expedited. Interviewed on national radio, Kohl did not rule out the reintroduction of a solidarity tax with effect of 1995, to finance German unity. He gave an assurance that taxes will not rise before 1995, although relevant legislation will come in 1993. Meanwhile CSU strongman Stoiber has accused Kohl of having let things drift. Count Lambsdorff, chairman of the Liberals, has said he does not think Kohl is right that west Germans must accept a standstill in living standards. Lambsdorff stated that Germans must brace themselves for income drops.

According to a FORSA poll published on Tuesday, there is currently a theoretical majority for a red-green coalition in Bonn. Reflecting the recent successful party congress, 45% would vote for the SPD if elections were held now, 7% for Union '90/Greens, 34% for CDU/CSU, 6% FDP and 5% for the Republicans.

State reacts to xenophobic violence: Last week's deadly arson attack on Turkish residents has led to a wave of civic concern in Germany and to problems in German-Turkish relations. Meanwhile, a suspect has been arrested, a member of a radical right group. This weekend, there were further arson attacks on asylum seeker homes in both east and west Germany. In this context, the Bonn Government, worried by foreign reactions and by the detrimental effect on much-needed foreign investment, is finally planning to crack down on the radical right. Following a ban this weekend on the neo-Nazi "Nationalist Front" (130 members), Minister of the Interior Selters has announced further action against right-wing extremists. He plans more bans and (for the first time) possibly stripping neo-Nazi leaders of some rights, such as the right to vote, to be elected and to express opinions in public. These ideas are covered by article 18 of the Constitution, framed with

an eye to Third Reich experience and hardly used before. Observers are sceptical at the Government's emphasis on new legislation and legal action in general. They consider present legislation, which after all ensured victory over '70s left-wing terrorism, to be more than adequate. This view is underscored by the fact that in Saxony and Saxony-Anhalt more than 90% of all xenophobic crimes have been solved and the perpetrators taken into custody. These observers are asking themselves whether prohibitions will not drive organisations underground and provide them with a helpful martyrs' image. Action should rather be taken in the education and social field, while special attention should also be paid to the economic integration of youngsters.

Economic news: According to new figures, the USA are the leading foreign investors in the new Länder as far as investment volume is concerned. But measured by the number of firms bought from the Treuhand, the USA are in fifth place behind France, Switzerland, the UK and Austria.

After the withdrawal of Daimler-Benz's plan to erect a truck plant in Ahrensdorf and Krupp's decision not to buy the EKO steelworks in Eisenhüttenstadt, several other investors have retreated or are scaling down their plans. Audi, part of the Volkswagen empire, is not building its planned engine plant in Magdeburg, which was to have created 1,000 new jobs. Instead, it is locating in Hungary. The advantage of low labour costs in Hungary exceeds the 40% investment premium offered by Saxony-Anhalt. Holtzmann Ltd. of Karlsruhe has scrapped its plan to build a new paper plant, which was to have created 450 new jobs. Meanwhile, the German Association of Industry and Commerce (DIHT) sees a growing danger of competition from countries such as Poland, the Czech Republic, Slovakia and Hungary. In most cases, high labour costs and the international recession are cited as reasons not to invest in the new Länder. The current xenophobic activity is not helpful either. The President of the Federal Association of German Wholesale and International Trade (BGA), Fuchs, has warned strongly against the negative effect of xenophobia on the hitherto popular "Made in Germany" stamp of approval.

In this connection, observers here welcomed the moderate 5% pay increase claimed by the public service workers' union (OETV) last Friday. After this spring's bitter 11-day strike, the union's strike fund has been depleted. The Bundesbank considers a 3% increase in all sectors in the west as the limit if inflation is to be effectively combated and interest rates reduced. This moderate claim is also encouraging in view of Chancellor Kohl's endeavour to conclude a solidarity pact before Christmas. However, the "five wise men", the Government's advisers on the economy, have advocated a public sector pay freeze.

Expensive marriage: Just before the last meeting of the joint governmental commission on December 5, the unification of Berlin and Brandenburg is once more the subject of discussion. The main point at the meeting will be a paper recommending a merger in 1998 (the year in which the Bundestag is supposed to move to Berlin). The relevant treaties are to be signed in 1993 and a referendum could take place in 1994. It is expected that the document will be approved. During the last months, Mayor Diepgen and Prime Minister Stolpe have intensively advocated the merger. Meanwhile, the German Institute for Economic Research (DIW) in Berlin has given a new analysis of the financial

consequences of the merger. It found that the budget problems of a united Land will be even more severe than is the case at present, on account of:

- the suspension of "Berlin aid";
- the suspension of the German Unity Fund at the end of 1994;
- the possible loss of the city-state privilege for Berlin, worth roughly DM 3.8 billion a year.

Berlin in particular would face severe problems as it would cease to benefit from the federal financial redistribution scheme and would have to pay most into a future combined budget, given its economic strength and high tax income. The probable loss of DM 16 billion to the combined budget will cause a shock with far-reaching consequences for the region, according to DIW. Another problem is the oversized and inefficient administration in Berlin. Compared to other cities of its size, there are 46,000 civil servants too many.

In brief:

- Stolpe investigation to continue: The investigating committee of the Brandenburg Parliament will probably be unable to finish its job this year, as planned. On Tuesday, Helmut Schmidt is testifying, while Genscher will do so on December 10. Stolpe's popularity in Brandenburg is unflagging at 83%.

*
* *